NEW ISSUE **NOT RATED**
BOOK-ENTRY-ONLY **BANK QUALIFIED**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the Owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. The District has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado

$5,810,000
Limited Tax General Obligation Bonds
Series 2020A

$865,000
Subordinate Limited Tax General Obligation Bonds
Series 2020B

Dated: Date of Delivery

Due: December 1, 2050 (Series 2020A Senior Bonds)
December 15, 2050 (Series 2020B Subordinate Bonds)

The Series 2020A Senior Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Senior Pledged Revenue"): (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iii) the Capital Fees; and, (iv) other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue. The Series 2020A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be fully funded to the amount of the Required Reserve on the date of issuance of the Series 2020A Senior Bonds from the proceeds thereof. In addition, the Series 2020A Senior Bonds are secured by excess Senior Pledged Revenue, if any, accumulated in the Senior Surplus Fund up to the Maximum Surplus Amount. **Notwithstanding anything in the Senior Indenture to the contrary, all of the Series 2020A Senior Bonds and interest thereon will be deemed paid, satisfied, and discharged on December 31, 2060 (the "Senior Bond Termination Date"), regardless of the amount of principal and interest paid prior to such date.**

Capitalized terms used on the cover page of this Limited Offering Memorandum are defined in the Introduction herein.

The Series 2020B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Subordinate Pledged Revenue"): (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax revenues resulting from the Subordinate Required Mill Levy; (iii) any Capital Fees available after application pursuant to the Series 2020A Senior Indenture or any indenture, resolution, loan agreement or other document securing Senior Bonds; (iv) the amounts, if any, in the Senior Surplus Fund released to the District pursuant to the Series 2020A Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. See "THE SERIES 2020B SUBORDINATE BONDS—"Cash-Flow" Nature of Series 2020B Subordinate Bonds" for a description of the "cash-flow" nature of the Series 2020B Subordinate Bonds. **Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2020B Subordinate Bonds and interest thereon will be deemed paid, satisfied, and discharged on December 31, 2060 (the "Subordinate Bond Termination Date"), regardless of the amount of principal and interest paid prior to such date.**

The Bonds are being issued in denominations of $500,000 or any integral multiple of $1,000 in excess thereof, all as fully registered bonds. Interest on the Series 2020A Senior Bonds is payable semiannually on June 1 and December 1 each year, commencing June 1, 2021, at the rate set forth below. Interest on the Series 2020B Subordinate Bonds is payable annually, to the extent of Subordinate Pledged Revenue available therefor, on December 15 each year, commencing December 15, 2021, at the rate set forth below.

$5,810,000 5.000% Series 2020A Senior Term Bond due December 1, 2050 Price 99.231% Yield 5.050% CUSIP© 666162 AA0 [1]
$865,000 7.500% Series 2020B Subordinate Term Bond due December 15, 2050 Price 100.00% Yield 7.500% CUSIP© 666162 AB8 [1]

The Bonds are being issued pursuant to two separate Indentures of Trust to be dated as of the date of issuance of the Bonds between the District and UMB Bank, n.a., Denver, Colorado, as trustee. The Trustee will also act as Registrar and Paying Agent for the Bonds, and DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds.

The Series 2020A Senior Bonds are subject to optional and mandatory sinking fund redemption and the Series 2020B Subordinate Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in this Limited Offering Memorandum.

Proceeds from the sale of the Series 2020A Senior Bonds will be used for the purposes of: (i) paying or reimbursing Project Costs; (ii) paying the costs of issuance of the Bonds; (iii) funding the Senior Reserve Fund; and (iv) funding a portion of interest to accrue on the Series 2020A Senior Bonds. Proceeds from the sale of the Series 2020B Subordinate Bonds will be used for the purposes of paying or reimbursing Project Costs.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective purchasers of the Bonds must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision. Each prospective investor should read this entire Limited Offering Memorandum and should give particular attention to the section entitled "RISK FACTORS."

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO A HIGH DEGREE OF INVESTMENT RISK. AS SUBORDINATE "CASH FLOW" OBLIGATIONS, REPAYMENT OF THE SERIES 2020B SUBORDINATE BONDS IS SUBJECT TO A HIGHER DEGREE OF INVESTMENT RISK. THE BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS AND ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" WITHIN THE MEANING OF SECTION 32-1-1101(6)(a)(IV), C.R.S.

The Bonds are offered when, as and if issued by the District, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Certain matters will be passed upon by White Bear Ankele Tanaka & Waldron, Centennial, Colorado, as General Counsel to the District. Kutak Rock LLP, Denver, Colorado, as Disclosure Counsel to the District, has assisted in the preparation of this Limited Offering Memorandum. Sherman & Howard L.L.C., Denver, Colorado, is acting as counsel to the Underwriter. North Slope Capital Advisors, Denver, Colorado, has served as Municipal Advisor to the District in connection with the issuance of the Bonds. The Bonds are expected to be available for delivery through the facilities of DTC on or about December 2, 2020.

MBS Capital Markets, LLC

This Limited Offering Memorandum is dated November 18, 2020.

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[1] The District takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado

Board of Directors

Jason Sherrill, President
Jonathan Mosier, Vice President
Rahul Majumdar, Secretary/Treasurer
Deborah Mosier, Assistant Secretary
Tamara Sherrill, Assistant Secretary

General Counsel to the District

White Bear Ankele Tanaka & Waldron
Centennial, Colorado

District Manager

District Resource LLC
Fort Collins, Colorado

Municipal Advisor

North Slope Capital Advisors
Denver, Colorado

Bond Counsel and Disclosure Counsel

Kutak Rock LLP
Denver, Colorado

Trustee and Paying Agent

UMB Bank, n.a.
Denver, Colorado

Underwriter

MBS Capital Markets, LLC
Tampa, Florida

Counsel to Underwriter

Sherman & Howard L.L.C.
Denver, Colorado

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has provided the following sentence for inclusion within this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Investors must be willing and able to conduct an independent investigation of the risks attendant to ownership of the Bonds, including their own evaluation of the prospects for development within the District. Neither the contents of this Limited Offering Memorandum nor any prior or subsequent communications from the District or any of its officers, directors, employees or agents constitute legal, tax, accounting or regulatory advice. Before purchasing, prospective investors should consult with their own legal counsel and business and tax advisors to determine the consequences of an investment in the Bonds and should make an independent evaluation of the investment.

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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Limited Offering Memorandum. Any representation to the contrary is unlawful.

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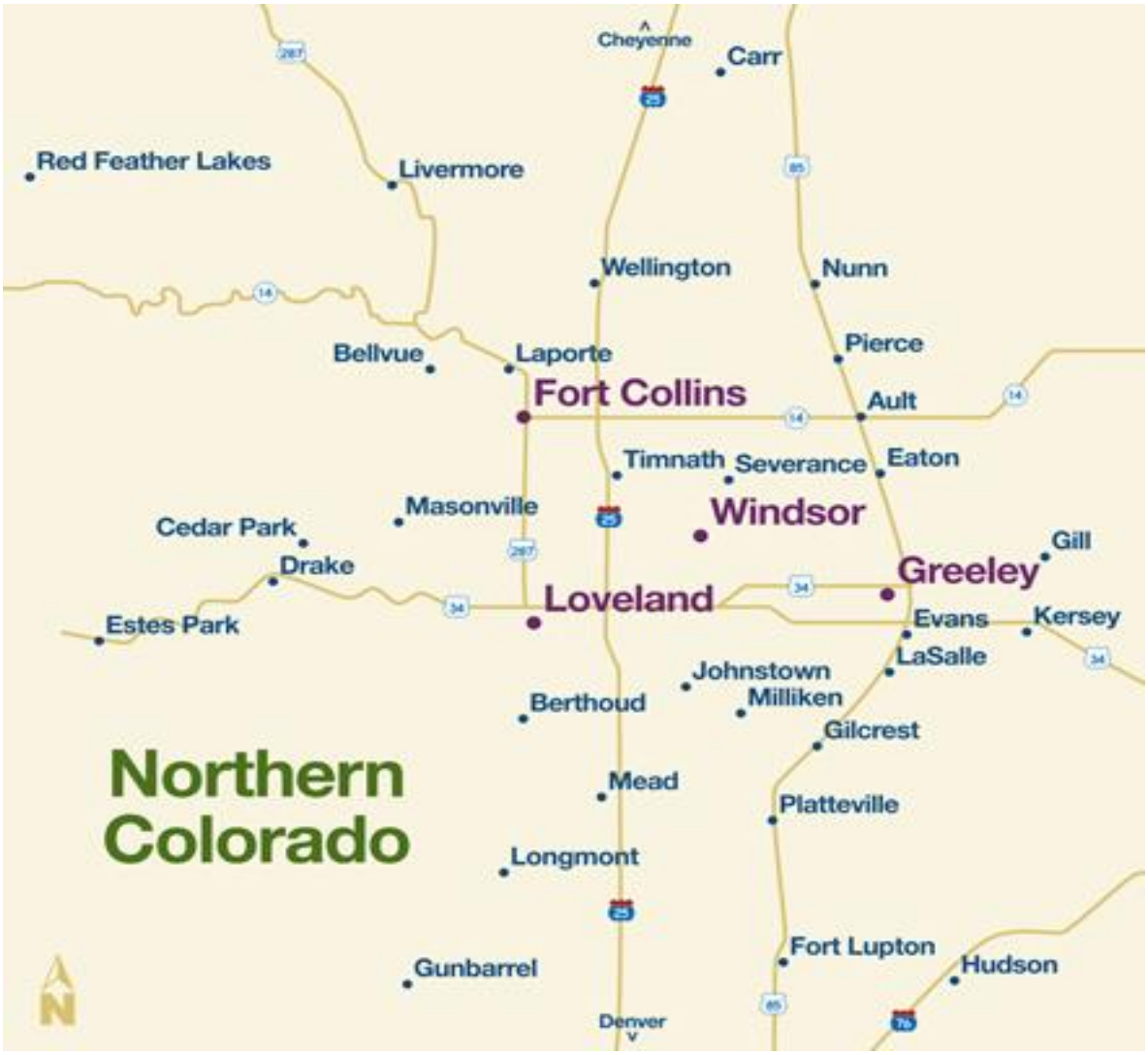
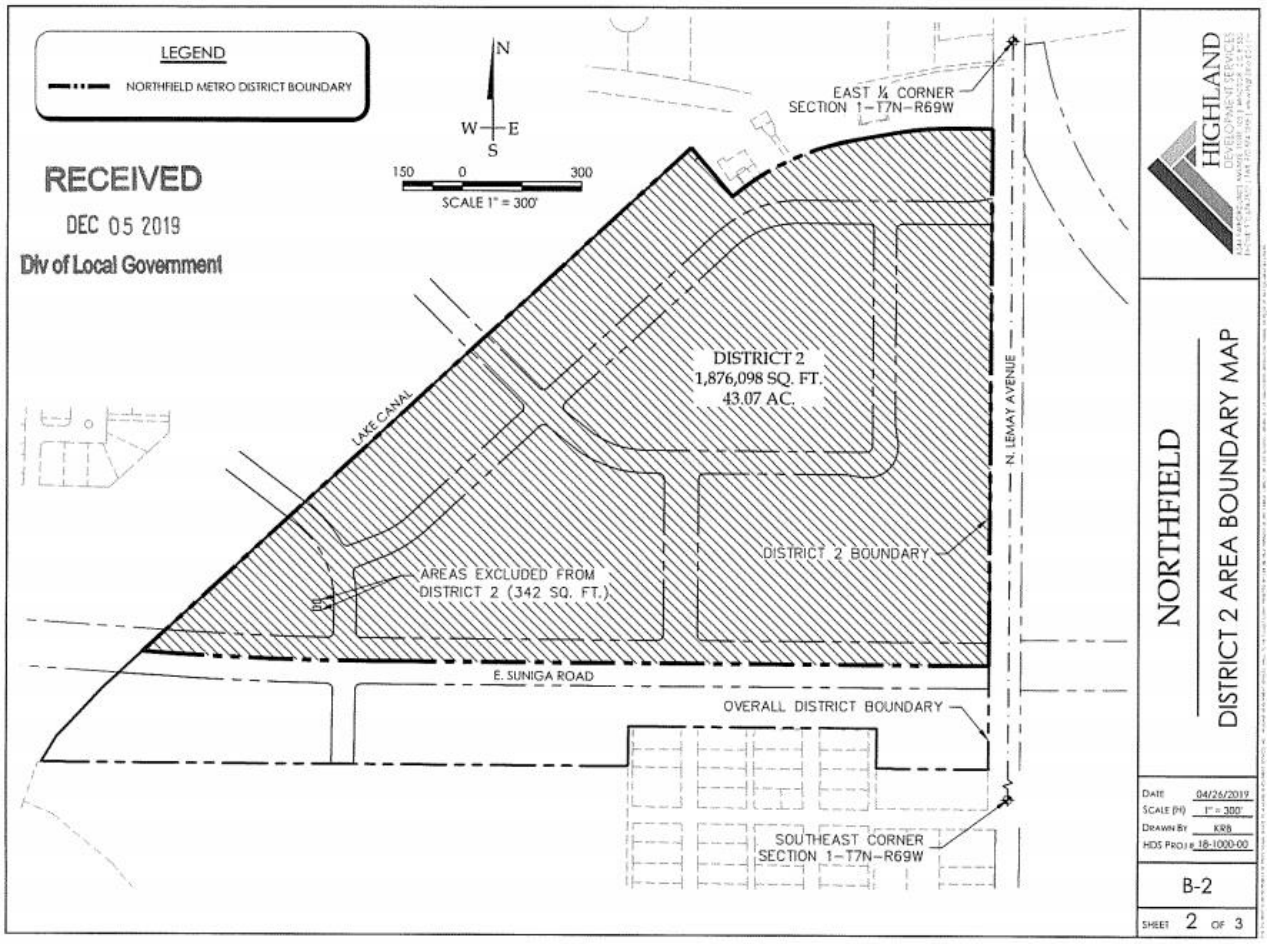


AERIAL PHOTO

DISTRICT MAP



SITE PLAN


NORTHFIELD SITE PLAN
WINTER 2019
Building Types
MULTI-FAMILY (M.F.) FLATS (CONDOMINIUMS)
MULTI-FAMILY (M.F.) ROW HOUSES (CONDOMINIUMS)
MULTI-FAMILY (M.F.) RESIDENCES (CONDOMINIUMS)
SINGLE FAMILY ATTACHED BROWNSTONES (FEE SIMPLE)
FUTURE PHASE

INTRODUCTION

This Limited Offering Memorandum is furnished to prospective purchasers of $5,810,000 Limited Tax General Obligation Bonds, Series 2020A (the "Series 2020A Senior Bonds") and $865,000 Subordinate Limited Tax General Obligation Bonds, Series 2020B (the "Series 2020B Subordinate Bonds" and, together with the Series 2020A Senior Bonds, the "Bonds"), issued by Northfield Metropolitan District No. 2 (the "District"), located in the City of Fort Collins (the "City"), in Larimer County (the "County"), Colorado (the "State"). The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

NOTICE: While a single Limited Offering Memorandum is being used in connection with the offer and sale of the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds, each series of Bonds is secured by a separate Indenture of Trust (the "Senior Indenture" and the "Subordinate Indenture," respectively) and each series of Bonds is secured by a separate set of revenue (the "Senior Pledged Revenue" and the "Subordinate Pledged Revenue," respectively), all as more particularly described herein. The use of a single Limited Offering Memorandum does not imply that the Owners of the Series 2020A Senior Bonds and the Owners of the Series 2020B Subordinate Bonds are secured by the same revenue sources, funds or covenants. The Owners of the Series 2020A Senior Bonds and the Owners of the Series 2020B Subordinate Bonds are afforded different rights under the Senior Indenture and the Subordinate Indenture, respectively. Potential purchasers of the Bonds are cautioned to review carefully the provisions herein describing the Senior Indenture and the Subordinate Indenture as applicable to the Bonds to be purchased.

The information set forth in this Limited Offering Memorandum has been obtained from the District, the Developer (defined hereafter and in APPENDIX B hereto), the Project Manager (defined hereafter and in APPENDIX B hereto) and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Limited Offering Memorandum, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See "FORWARD-LOOKING STATEMENTS," and "RISK FACTORS."

Capitalized terms not defined within the body of this Limited Offering Memorandum have the respective meanings set forth in APPENDIX B hereto, unless the context clearly indicates a contrary meaning.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein.

The District ..... Northfield Metropolitan District No. 2 (the "District" or "District No. 2") was organized in conjunction with Northfield Metropolitan District No. 1 ("District No. 1") and Northfield Metropolitan District No. 3 ("District No. 3" and, together with the District and District No. 1, the "Districts"), as part of a common plan to provide, in accordance with the Consolidated Service Plan for Northfield Metropolitan District Nos. 1-3 approved by the City Council of the City on October 1, 2019 (the "Service Plan"), certain public services and facilities ("Public Improvements") serving the needs of the approximately 55.3-acre planned development known as Northfield ("Northfield"), as more particularly described below. Property within the

District encompasses approximately 43.074 acres of land just north of the E. Suniga Road bisect and forms a large portion of the Northfield master-planned community (the "Development"). The boundaries of the District and the Development are co-terminus and are planned for three-hundred-seventy-five (375) condominiums and townhomes to be constructed by Dream Finders Homes and Landmark Homes. Also included in the boundaries of the Development is a mixed-use center offering light retail on the first floor (approximately 2,679 building square feet) and 2 apartments above. The organization of the District was approved by the eligible electors of the District voting at the election held on November 5, 2019 (the "Election").

Following the Election and approval of the Service Plan, the District was formally created pursuant to an Order and Decree Organizing the Northfield Metropolitan District No. 2, Issuance of Certificates of Election for Directors, and Release of Bond entered by the District Court, Larimer County, Colorado (the "District Court") on January 22, 2020 and recorded with the Larimer County Clerk and Recorder on February 18, 2020 at Reception No. 20200011029 (the "Organizational Order"). At organization, District No. 1, the District and District No. 3 encompassed approximately 0.004 acres, 43.074 acres, and 12.185 acres, respectively.

Only the taxable property of the District is subject to the Senior Required Mill Levy (defined below) and the Subordinate Required Mill Levy (defined below) for payment of the Series 2020A Senior Bonds and Series 2020B Subordinate Bonds, respectively.

Multiple District Structure; Coordinating Services Agreement; Facilities Funding Agreement ..... The Districts operate in accordance with the authority of Title 32, Article 1, Colorado Revised Statutes, as amended ("C.R.S") (the "Special District Act"), subject to the limitations of the Service Plan. The Districts intend to provide certain essential public-purpose facilities for the use and benefit of its property owners, inhabitants, taxpayers and the general public, all in accordance with the laws of the State. The Districts are authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements within the Districts service area (consisting collectively of all property within the Districts totaling approximately 55.3 acres) (the "Service Area"), which is generally coterminous with Northfield, subject to the limitations of the Service Plan.

As set forth in the Service Plan, District No. 1 is intended to serve as the "coordinating district" while the remaining districts are intended to serve as the "financing districts." See "THE DISTRICT."

On March 25, 2020, District No. 1 entered into a Public Improvements Acquisition and Reimbursement Agreement with Northfield Land, LLC, a Colorado limited liability company (the "Project Manager") for the purpose of financing costs of Public Improvements. Subsequently, the

District, District No. 1, and the Project Manager entered into an Addendum to Public Improvements Acquisition and Reimbursement Agreement (the "Addendum"). The Public Improvements Acquisition and Reimbursement Agreement, as modified through the Addendum (the "Acquisition Agreement"), will govern construction, acquisition of, and reimbursement for eligible costs associated with the Public Improvements. Pursuant to the Acquisition Agreement, District No. 1, as the coordinating district, is expected to be responsible for acquiring the Public Improvements from the Project Manager on behalf of the Districts, and District No. 2, as a financing district, will be responsible for reimbursing the Project Manager for costs of certain Public Improvements. On October 26, 2020, the District and District No. 1 entered into a Coordinating Services Agreement (the "Coordinating Services Agreement") which generally establishes the manner in which Administrative Services and O&M Services (defined therein) are to be provided by District No. 1. See "THE DISTRICT—Material Agreements—*Coordinating Services Agreement*" and "—*Public Improvements Acquisition and Reimbursement Agreement*."

Public Improvements..... Under the Service Plan, it is anticipated that certain of the Public Improvements will be dedicated or otherwise conveyed to the City, the County, or other public entity, or to an owners' association within the boundaries of the Districts, and that District No. 1: (i) will own, operate and maintain all Public Improvements within the boundaries of the Districts that are not dedicated to the City, County, any other public entity, or an owners' association; and (ii) may provide trash service, architectural review, and covenant enforcement services to all or a portion of the property within the boundaries of the Districts. It is anticipated that the Districts will dedicate all, or substantially all, of the completed Public Improvements in a manner consistent with the Approved Development Plan (as defined herein) and the City's Municipal Charter, Municipal Code, Land Use Code and ordinances (collectively, the "City Code").

The Service Plan specifically prohibits the Districts from providing certain services including fire protection facilities and services or policing or other security services which are expected to be provided by Poudre Fire Authority and the City, respectively. See "THE DISTRICT" and "THE DEVELOPMENT."

Public Benefits and Regional Improvements..... In addition to providing Public Improvements, the Service Plan establishes the means by which Regional Improvements (defined herein) and Public Benefits (defined herein) are to be provided by the Districts.

Public Benefits. As set forth in the Service Plan, the Districts are to deliver, as such delivery is defined in the Service Plan, several public benefits to the community in accordance with the City's Metro District Service Plan Policy including, but not limited to, developing critical on-site and off-site public infrastructure, employing high quality and smart growth practices, creating the required affordable units, creating attainable housing units to support the workforce, and incorporating environmental

sustainability through energy and water conservation, and enhanced multimodal transportation, all of which are specifically described in the Service Plan (collectively, the "Public Benefits"). See "THE DISTRICT" and "THE DEVELOPMENT."

Under the Service Plan none of the Districts are authorized to issue any bonds, notes or other multiple fiscal year financial obligations to be paid with ad valorem property tax mill levies, fees or other legally available revenue ("Debt"), impose a property tax mill levy on taxable property within a District for the purpose of paying Debt ("Debt Mill Levy"), or impose any fees, rates, tolls, penalties and charges ("Fees") for payment on Debt unless and until the delivery of the applicable Public Benefits as described in the Service Plan has been secured in accordance with the Service Plan. See "THE DEVELOPMENT" and "THE DISTRICT."

Regional Improvements. The Service Plan authorizes the District to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of any regional public improvement identified by the City for funding, in whole or part (the "Regional Improvements") by the imposition of a mill levy at a rate not to exceed 5 mills, subject to the Gallagher Adjustment (defined herein) (the "Regional Mill Levy"). If the City requires the imposition by the District of the Regional Mill Levy, the revenue received from the Regional Mill Levy will be remitted to the City and may be applied to the costs of the Regional Improvements. See "THE DISTRICT."

Assessed Valuation of the District..... Due to the District's recent organization, the District's first assessed valuation for property tax purposes will be certified in 2020 for property tax collections in 2021. The District's preliminary 2020 certified assessed valuation is $2,422 as certified by the Larimer County Assessor on October 1, 2020. Such value is subject to change prior to the December 10, 2020 final certification date. See "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes," "RISK FACTORS—COVID-19" and "THE DISTRICT."

The Developer and The Project Manager ..... ***The Developer***. DFC Northfield, LLC, a Florida limited liability company (the "Developer") owns all of the land within the Development and will be responsible for funding land development. The Developer acquired the property within Northfield, which includes the property within the Development, in August 2020 for a purchase price of $6,011,535. See "THE DEVELOPMENT—The Developer."

The Project Manager. On August 10, 2020, the Developer, Northfield Land, LLC, a Colorado limited liability company (the "Project Manager"), and DFH Mandarin, LLC, a Florida limited liability company ("DFH Mandarin"), entered into a Development and Management Agreement (the "Development and Management Agreement"). As set forth in the Development and Management Agreement, the Project Manager is to

coordinate and manage all aspects of the Northfield development and more specifically the Project Manager is responsible for planning and all horizontal construction and development of Northfield and more specifically of the Development. See "THE DEVELOPMENT—The Project Manager."

As further discussed herein, the Project Manager also entered into a lot purchase and sale option agreement with the Developer and will be constructing homes under the name "Landmark Homes." Such lot purchase and sale option agreement is referred to herein as the "Landmark Lot Purchase Agreement". DFH Mandarin is a wholly owned subsidiary of DF Holdings. DFH Mandarin has entered into a lot purchase and sale option agreement with the Developer and will be constructing homes under the name "Dream Finders Homes." Such lot purchase and sale option agreement is referred to herein as the "Dream Finders Lot Purchase Agreement." See "—Builders" hereafter and "THE DEVELOPMENT—The Project Manager."

Northfield; and The Development ..... ***Northfield.*** The Development is situated in the broader 55.3-acre master planned community of Northfield ("Northfield") located approximately 1.5 miles northwest of downtown Fort Collins and 3.2 miles from Interstate 25 to the east. See "District Map" and "Regional Map." As currently approved, Northfield is planned for 442 residential units, which includes 2 apartments located above an approximately 2,679 square foot mixed-use center with light retail on the first floor. Northfield is to be constructed with attainable and affordable single-family attached housing options, including 139 three-story Brownstone townhomes to be built by Dream Finders Homes and 236 Discovery condominiums and townhomes as well as stacked single-level flats to be built by Landmark Homes. Additional affordable housing units are expected to be built by Mercy Housing located in the portion of Northfield south of East Suniga Road, which homes are *not* located in the District. See "THE DEVELOPMENT—Overview."

Initial Site Planning; Entitlements. The Developer has conducted extensive site planning, engineering and entitlement of the property within Northfield. On April 13, 2020, the City approved the Northfield site-specific development plan ("Development Plan"). In accordance with such development review process, the City also approved the final plat, as recorded with the County at Reception Number 20200029164 on April 28, 2020 ("Filing No. 1" of "Final Plat"). With Development Plan and Final Plat approval, Northfield is fully platted and entitled for a maximum of 442 units, subject to certain development and public benefit conditions described herein. See "THE DEVELOPMENT—Zoning /Entitlements/Permits."

The Development. Development within the District encompasses approximately 43.07 acres of land just north of the East Suniga Road bisect and forms a major component of the planned Northfield community (the "Development"). The boundaries of the District and the Development are

co-terminus and are planned to include 375 condominium and townhome units to be constructed by Dream Finders Homes and Landmark Homes. Also included in the boundaries of the Development is a mixed-use center offering light retail on the first floor (approximately 2,679 building square feet) with two apartments above the retail space, a clubhouse, open space and parks and trails.

Construction Activity. According to the Developer, fill activities have begun within the Development. It is expected that construction of the Public Improvements will begin in November 2020 with completion expected in spring 2021. Home construction is expected to begin shortly thereafter with the Development's first homes anticipated to be completed in the fourth quarter of 2021.

Notwithstanding any of the foregoing, none of the Developer, Landmark Homes, Dream Finders Homes nor any other property owner is contractually obligated to pursue the development of the property comprising the Development, and no assurance is given that development will occur in accordance with the present permitted land uses, anticipated time frames or at all.

Builders ..... As stated above, the Developer entered into the Landmark Lot Purchase Agreement and Dream Finders Lot Purchase Agreement thereby providing for the purchase and sale of all of the planned 375 condominium and townhome units in the Development. The Landmark Lot Purchase Agreement provides for the purchase and sale of 236 lots for construction by Landmark Homes of its Discovery condominium and townhome units and stacked single-level flats. The Dream Finders Lot Purchase Agreement provides for the purchase and sale of 139 lots for construction by Dream Finders Home of its Brownstone townhomes. The lot purchase and sale agreements set forth lot pricing and takedown schedules with initial lot takedowns scheduled to occur in March 31, 2021. See "THE DEVELOPMENT—Builder Agreements," and "THE DEVELOPMENT–Participating Builders."

Market Study ..... The District retained Metrostudy-Meyers, Centennial, Colorado to prepare a Market Analysis and Absorption Forecast dated July 15, 2020, as supplemented pursuant to the addendum thereto dated November 6, 2020 entitled COVID-19's Ongoing Impact on Colorado Front Range Housing (as so supplemented, the "Market Study"). The Market Study contains an assessment of the feasibility of the planned development, including product mix, product pricing and projected annual absorption. The Market Study is attached hereto as APPENDIX C and should be read in its entirety by prospective purchasers of the Bonds. See also "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study."

Security and Sources of Payment for Series 2020A Senior Bonds ..... ***Senior Pledged Revenue***. The Series 2020A Senior Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection of the County and any

property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Senior Pledged Revenue"): (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iii) the Capital Fees; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Reserve Fund; Senior Reserve Requirement. The Series 2020A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from proceeds of the Series 2020A Senior Bonds in an amount equal to $483,000 (the "Senior Reserve Requirement").

Senior Surplus Fund. The Series 2020A Senior Bonds are also secured by the Senior Surplus Fund, which is to be funded from excess Senior Pledged Revenue, if any, up to the maximum amount of $483,000 (the "Maximum Surplus Amount").

Senior Required Mill Levy. The District has covenanted in the Senior Indenture to levy, on all of the taxable property of the District, the Senior Required Mill Levy, defined in the Senior Indenture as follows:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient with other Senior Pledged Revenue to fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior Bonds as they come due and, if necessary, an amount sufficient to replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement, but (i) not in excess of 40.000 mills, and (ii) for so long as the Senior Surplus Fund is required to be maintained under the Senior Indenture and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 40.000 mills, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior Bonds as they come due, will replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement and, for so long as the Senior Surplus Fund is required to be maintained hereunder, will fund the Senior Surplus Fund to the Maximum Surplus Amount; provided however, that if, after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement with respect to the classes of property on which the District may impose its mill levy; the minimum and maximum mill levies provided in this paragraph (a) shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization or create a material departure from the Service Plan, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

Capital Fees. The Senior Indenture defines "Capital Fees" as collectively, (a) the Facilities Fees (defined below) and (b) all other fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed after the date of issuance of the Bonds by the District or any District-owned "enterprise" under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

The Facilities Fees, described below, are the only Capital Fees currently imposed by the District and the District has no plans to impose any additional Capital Fees.

Facilities Fees; Facilities Fee Resolution. The Indenture defines the "Facilities Fees" as all of the fees by that name imposed pursuant to the Facilities Fee Resolution (defined below), including the revenue derived from any action to enforce the collection of such fees and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of such fees.

On October 26, 2020, the Board adopted a Resolution of the District Concerning the Imposition of a Capital Facilities Fee (the "Facilities Fee Resolution") establishing a one-time Capital Facilities Fee ("Facilities Fee") to be imposed upon each Residential Unit within the District. A "Residential Unit" means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit and detached single family dwelling units) located within the District that has been transferred to any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit (an "End User").

The current Facilities Fees for a Residential Unit is $500/unit. The Facilities Fee will first be due and owing as of: (i) the date of transfer to an End User; or (ii) upon issuance of a building permit for any Residential

Unit, whichever occurs first, all as more particularly set forth in the Facilities Fee Resolution.

Specific Ownership Taxes. "Specific Ownership Tax" is defined in the Senior Indenture to mean the specific ownership tax which is collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy is pledged to the payment of the Series 2020A Senior Bonds.

Discharge of Series 2020A Senior Bonds. Under the Senior Indenture, and notwithstanding anything therein to the contrary, in the event that any amount of principal of or interest on the Series 2020A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 31, 2060 (the "Senior Bond Termination Date"), the Series 2020A Senior Bonds and the lien of the Senior Indenture securing payment thereof will be deemed discharged, the estate and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will cancel and discharge the lien of the Senior Indenture, and execute and deliver to the District such instruments in writing as required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of and interest on Series 2020A Senior Bonds remaining unpaid.

See "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds," "DISTRICT FINANCIAL INFORMATION," and "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH."

THE SERIES 2020A SENIOR BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE SERIES 2020A SENIOR BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Security and Sources of Payment for Series 2020B Subordinate Bonds ..... ***Subordinate Pledged Revenue***. The Series 2020B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a)the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax revenues resulting from the Subordinate Required Mill Levy; (c) any Capital Fees available after application pursuant to the Series 2020A Senior Indenture, or any indenture, resolution, loan agreement or other document securing Senior Bonds; (d) the amounts, if any, in the Series 2020A Senior Bonds Surplus Fund released to the District pursuant to the

Series 2020A Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate Required Mill Levy. The District has covenanted in the Subordinate Indenture to levy, on all of the taxable property of the District, the Subordinate Required Mill Levy, defined in the Subordinate Indenture as follows:

"Subordinate Required Mill Levy" has the following meaning:

(a) Subject to paragraph (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District in an amount of 40.000 mills, as adjusted in accordance with paragraph (b) below, less the amount of the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Bond Required Mill Levy equals or exceeds 40.000 mills in any year, adjusted for changes as described in subsection (b) below, the Subordinate Required Mill Levy for that year shall be zero.

(b) In the event the method of calculating assessed valuation is changed on or after January 1, 2019, the mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. 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.

(c) Notwithstanding anything in the Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Notwithstanding anything in the Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be imposed on any taxable property for a period exceeding the Maximum Debt Mill Levy Imposition Term.

Senior Bond Required Mill Levy. The "Senior Bond Required Mill Levy" referred to in the definition of Subordinate Required Mill Levy above consists of the Senior Required Mill Levy and any other mill levy required to be imposed for payment of other Senior Bonds outstanding, if any,

under the applicable instrument pursuant to which such Senior Bonds are issued and secured.

Specific Ownership Taxes. "Specific Ownership Tax" is defined in the Subordinate Indenture to mean the specific ownership tax which is collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy is pledged to the payment of the Series 2020B Subordinate Bonds.

Discharge of Series 2020B Subordinate Bonds. Under the Subordinate Indenture, and notwithstanding anything therein to the contrary, in the event that any amount of principal of or interest on the Series 2020B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 31, 2060 (the "Subordinate Bond Termination Date"), the Series 2020B Subordinate Bonds and the lien of the Subordinate Indenture securing payment thereof will be deemed discharged, the estate and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will cancel and discharge the lien of the Subordinate Indenture, and execute and deliver to the District such instruments in writing as required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of and interest on Series 2020A Senior Bonds remaining unpaid..

THE SERIES 2020B SUBORDINATE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE SERIES 2020B SUBORDINATE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Additional Bonds ..... The District covenants for the benefit of the Owners of the Series 2020A Senior Bonds and the Owners of the Series 2020B Subordinate Bonds not to issue Additional Bonds (as defined in each of the Indentures; see APPENDIX B hereto) except as specifically permitted in the Senior Indenture and the Subordinate Indenture, respectively. The Senior Indenture and the Subordinate Indenture impose different limitations on the issuance of Additional Bonds. Owners of the Series 2020A Senior Bonds will only be permitted to enforce such limitations set forth in the Senior Indenture, and Owners of the Series 2020B Subordinate Bonds will only be permitted to enforce such limitations set forth in the Subordinate Indenture. See "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*" and "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Bonds*."

Purpose ..... ***Series 2020A Senior Bonds***. Proceeds from the sale of the Series 2020A Senior Bonds will be used for the purposes of: (i) paying or reimbursing

Project Costs; (ii) paying the costs of issuance of the Bonds; (iii) funding the Senior Reserve Fund; and (iv) funding a portion of interest to accrue on the Series 2020A Senior Bonds.

Series 2020B Subordinate Bonds. Proceeds from the sale of the Series 2020B Subordinate Bonds will be used for the purpose of paying or reimbursing Project Costs.

See "APPENDIX B—SELECTED DEFINITIONS" for definitions of the Project and the Project Costs, respectively.

Subordinate Lien of Series 2020B Subordinate Bonds ..... The Series 2020A Senior Bonds constitute Senior Bonds and the Series 2020B Subordinate Bonds constitute Subordinate Bonds under the Indentures. Accordingly, to the extent any revenues are pledged under the Indentures to both the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds, the lien thereon of the Series 2020B Subordinate Bonds is *junior and subordinate in all respects* to the lien of the Series 2020A Senior Bonds and any other Senior Bonds issued in the future.

Subordinate Required Mill Levy Could be Zero. The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2020B Subordinate Bonds in an amount equal to 40.000 mills (subject to changes in law occurring after the date of issuance of the Bonds with respect to the method of calculating assessed valuation) *less* the Senior Required Mill Levy. Therefore, if the Senior Required Mill Levy equals or exceeds 40.000 mills in any year (subject to such changes in law), the Subordinate Required Mill Levy for that year will be zero.

See also "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds."

"Cash-Flow" Nature of Series 2020B Subordinate Bonds ..... The Series 2020B Subordinate Bonds are structured as "cash-flow" bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Series 2020B Subordinate Bonds is payable from, and solely to the extent of, the Subordinate Pledged Revenue remaining, if any, after payment each year of (or providing for the payment of) the annual interest due on the Series 2020B Subordinate Bonds (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) and following notice of prior redemption as provided in the Subordinate Indenture. See "THE SERIES 2020B SUBORDINATE BONDS—Redemption—*Mandatory Redemption*" and "—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*." Accrued and unpaid interest on the Series 2020B Subordinate Bonds will compound annually on each December 15. See also the Financial Forecast in APPENDIX A hereto, described below.

Authority for Issuance ..... The Bonds are issued in full conformity with the constitution and laws of the State, including Part 2 of Article 57 of Title 11, C.R.S. (the "Supplemental Public Securities Act"), and Part 11 of Article 1 of Title 32, C.R.S.; pursuant to the Bond Resolution adopted by the Board prior to the issuance of the Bonds; pursuant to the Indentures, respectively; and pursuant to the Election.

At the Election, the District's qualified electors voting at such Election approved indebtedness in the total amount of $160,000,000 for the purpose of financing the costs of acquiring, constructing, relocating, installing, completing and otherwise providing public improvements. The maximum Debt authorization, as set forth in the Service Plan, is $16,000,000, for the Districts collectively (the "Maximum Debt Authorization"). Bonds which have been refunded do not count against the Maximum Debt Authorization. See "THE DISTRICT" and "DEBT STRUCTURE."

Financial Forecast ..... Simmons & Wheeler, P.C., Englewood, Colorado, has prepared the cash flow projection schedules presented in APPENDIX A hereto (the "Financial Forecast") for the Board, for the purpose of providing information regarding the District's ability to make the annual debt service payments on the Bonds. Such Financial Forecast is based upon assumptions as provided therein. See "FINANCIAL FORECAST" below. See also "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH."

See also "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study."

Interest Rates; Payment Provisions; Record Date..... The Bonds will bear interest at the rates per annum set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Series 2020A Senior Bonds is payable semiannually on June 1 and December 1 each year, commencing June 1, 2021. Interest on the Series 2020B Subordinate Bonds is payable annually on December 15 each year to the extent of Subordinate Pledged Revenue available therefor, commencing December 15, 2021. Payments for the principal of and interest on the Bonds will be made as described in "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

The record date, with respect to each interest payment date, means, with respect to the Series 2020A Senior Bonds, the fifteenth (15th) day of the calendar month immediately preceding each interest payment date (the "Senior Record Date"), and, with respect to the Series 2020B Subordinate Bonds, the 1st day of the calendar month in which each interest payment date occurs (the "Subordinate Record Date"). Subject to the provisions of the Indentures with respect to the discharge of all of the Bonds on their respective Termination Dates, all of the Bonds and interest thereon will be deemed paid, satisfied, and discharged on the respective Termination Dates, regardless of the amount of principal and interest paid prior to that date. See "THE SERIES 2020A SENIOR BONDS—Payment of Principal and Interest."

Exchange and Transfer..... While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC, defined below) may be made as described under the caption "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

Book-Entry-Only Registration..... The Bonds will be issued in fully registered form and will be registered initially in the name of "Cede & Co." as nominee for The Depository Trust Company, New York, New York ("DTC"), a securities depository. Beneficial ownership interests may be acquired in the Bonds in principal denominations of $500,000 or integral multiples of $1,000 in excess thereof, through participants in the DTC system (the "Participants"). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the "Beneficial Owners") will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal, premium, if any, and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Indentures will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM" for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

Prior Redemption..... The Series 2020A Senior Bonds are subject to optional and mandatory sinking fund redemption as described in "THE SERIES 2020A SENIOR BONDS—Redemption." The Series 2020B Subordinate Bonds are subject to optional and mandatory redemption as described in "THE SERIES 2020B SUBORDINATE BONDS—Redemption" and "—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*."

Tax Status..... In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the Owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. The District has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal

Revenue Code of 1986, as amended. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein."

Continuing Disclosure Obligation..... MBS Capital Markets, LLC (the "Underwriter") has determined that the Bonds are not subject to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) (the "Rule"). Regardless, the District, the Developer and the Project Manager have agreed to provide certain information on a quarterly basis and, as to certain other information, on an annual basis, which is to be filed by the Trustee with the Municipal Securities Rulemaking Board (the "MSRB") on EMMA or in other electronic format as prescribed by the MSRB. The District has also agreed to provide notice of the occurrence of certain events. A form of the Continuing Disclosure Agreement setting forth such obligations is attached as APPENDIX F to this Limited Offering Memorandum.

Financial Statements ..... Due to the District's recent formation and limited financial activity, no audited financial statements of the District are available for inclusion in this Limited Offering Memorandum. See, however, information herein under the caption "DISTRICT FINANCIAL INFORMATION—Budget and Appropriation Procedure" for unaudited revenues, expenditures, and changes in fund balances as compared with budgeted figures for the District's governmental funds, as available.

Offering and Delivery Information..... The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser of the Bonds must be a "financial institution or institutional investor" as defined in Section 32-1-103(6.5), C.R.S. The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery on or about December 2, 2020, against payment therefor.

Additional Information..... ALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and, if applicable, the payment of a reasonable copying, mailing, and handling charge from: Northfield Metropolitan District No. 2, c/o White Bear Ankele Tanaka & Waldron, Professional Corporation, 2154 East Commons Avenue, Suite 2000, Centennial, Colorado, 80122, Telephone: (303) 858-1800; or MBS Capital Markets, LLC, 3414 W. Bay to Bay Blvd., Unit #3, Tampa, Florida 33629, Telephone: (813) 281-2700.

Debt Ratios ..... The following are selected District general obligation debt ratios upon issuance and delivery of the Bonds.

2020 Preliminary Certified Assessed Valuation [1,2]	$2,422
2020 Preliminary Statutory "Actual" Valuation [1,2]	$7,670
General Obligation Debt Outstanding Upon Issuance of the Bonds [1]	$6,675,000
District Debt as a Ratio of:	
2020 Preliminary Assessed Valuation [1]	275,598.68%
2020 Preliminary Statutory "Actual" Valuation [1]	87,027.38%
Estimated Overlapping General Obligation Debt [1]	$460
Sum of District and Overlapping Debt	$6,675,460
District and Overlapping Debt as a Ratio of:	
2020 Preliminary Assessed Valuation [1]	275,617.67%
2020 Preliminary Statutory "Actual" Valuation [1]	87,033.38%

[1] For definitions of and descriptions of the methodology used in computing assessed valuation, statutory "actual" value, estimated population, general obligation debt outstanding, and estimated overlapping general obligation debt, see "DISTRICT FINANCIAL INFORMATION" and "DEBT STRUCTURE." All ratios have been rounded down.
[2] 2020 preliminary certification of valuation as certified by the Larimer County Assessor on October 1, 2020. Such values are further subject to change prior to the December 10, 2020 final certification date.
Sources: Larimer County Assessor's Office (the "Assessor's Office"), the District and individual overlapping entities

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, and particularly the information contained under the headings entitled "INTRODUCTION," "FINANCIAL FORECAST," "RISK FACTORS," "THE DISTRICT," "THE DEVELOPMENT," "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH" (such report being referred to herein as the "Financial Forecast"), and "APPENDIX C—MARKET STUDY" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words "estimate," "forecast," "intend," "expect," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any projection is subject to such uncertainties. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between projections and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study."

FINANCIAL FORECAST

A forecasted statement of sources and uses of cash of the District for the years ending December 31, 2020 through 2050 (as previously defined, the "Financial Forecast") has been compiled by Simmons & Wheeler, P.C., Certified Public Accountants, Englewood, Colorado, and is appended in its entirety to this Limited Offering Memorandum as APPENDIX A. The Financial Forecast was prepared for the purpose of providing information to the District regarding the District's ability to pay the Bonds and, among other things, includes a schedule of the estimated future assessed valuation of the District. The Financial Forecast is based on specific information and assumptions stated therein, including the conclusions of the Market Study.

The Financial Forecast compilation is limited to presenting, in the form of a forecast, information that is the representation of management of the District and does not include an evaluation of the support

for the assumptions underlying the forecast. The Financial Forecast should be read in its entirety for an understanding of the forecasts and the underlying assumptions contained therein.

Prospective investors are cautioned that any forecast is subject to uncertainties, and inevitably some assumptions used to develop the Financial Forecast will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guarantee is made herein that the results of the Financial Forecast will be realized. See "FORWARD-LOOKING STATEMENTS" above and "RISK FACTORS—Risks Inherent in Financial Forecast, Assessed Value Appreciation Report and Market Study" below.

Hypothetical Assumptions. The Financial Forecast also includes an alternative hypothetical slower growth scenario identified as Alternative A in "Note 7: Hypothetical Assumptions" of the Financial Forecast, which is generally described below.

Under the hypothetical assumptions in Alternative A, which reflects an absorption rate that will be 50% of the absorption rates anticipated in the District, the alternative forecast projects that the Series 2020B Subordinate Bonds will not be paid in full until December 15, 2056 and the Reserve Fund will decrease to a balance of $105,710 in 2028. See Note 7 of the Financial Forecast set forth in APPENDIX A hereto.

RISK FACTORS

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE LIMITED OFFERING MEMORANDUM AND CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT THEIR INVESTMENT DECISION. THE RISK FACTORS DESCRIBED IN THIS SECTION SET FORTH MANY OF THE POTENTIAL RISKS OF AN INVESTMENT IN THE BONDS THAT SHOULD BE CONSIDERED PRIOR TO PURCHASING THE BONDS, BUT DOES NOT PROVIDE AN EXHAUSTIVE LIST OF SUCH RISKS.

Each prospective investor is urged to consult with its own legal, tax, and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

General

The purchase of the Bonds involves certain risk factors, which are discussed throughout this Limited Offering Memorandum, and each prospective investor should make an independent evaluation of all information presented in this Limited Offering Memorandum in order to make an informed investment decision. The Bonds should only be purchased by investors who can bear the continuing risk of an investment in the Bonds. Particular attention should be given to the risk factors described below, which, among other things, could affect the payment of debt service on the Bonds.

Each series of the Bonds involves different risks and those differences should be taken into account in making a decision to purchase either of the Series 2020A Senior Bonds and/or the Series 2020B Subordinate Bonds.

Limited Offering; Restrictions on Purchase; Investor Suitability

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S. Moreover, the Bonds are being issued in minimum denominations of $500,000.

No Credit Rating; Risk of Investment

The Bonds do not have a credit rating from any source and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds.

The District cannot predict the impact that COVID-19 will have in the short term or in the long term on the District's financial condition, the progress of the Development, real property values, or an investment in the Bonds. It is impossible to predict whether current economic conditions will continue or worsen, the duration of such changing conditions, or how future short-term and long-term economic conditions will affect the amount of the Senior Pledged Revenue and Subordinate Pledged Revenue, or the District's finances in general. See "—Certain Risks Related to COVID-19 Coronavirus" below.

Minimum Standards Not Dispositive of Suitable Investment

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean that the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

Bond Purchaser Representations; Restrictions on Transferability

By their acceptance of a Bond, each Owner thereof represents that it is a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S., with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of non-rated tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds.

By their acceptance of a Bond, each Owner thereof acknowledges that the Bonds may be sold, transferred or otherwise disposed of only in minimum denominations of $500,000 and any integral multiple of $1,000 in excess thereof, except as otherwise provided with respect to the Series 2020A Senior Bonds as provided in the Senior Indenture. See "THE SERIES 2020A SENIOR BONDS—Authorized Denominations of the Series 2020A Senior Bonds" and "THE SERIES 2020B SUBORDINATE BONDS—Authorized Denominations of the Series 2020B Subordinate Bonds."

By their acceptance of a Bond, each Owner thereof agrees and consents to all of the limitations in respect of the payment of the principal of and interest on such Bond contained therein and in the applicable Indenture, the Bond Resolution, and the Service Plan.

No Assurance of Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Bonds, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold the Bonds to maturity or prior redemption. Even if a secondary market exists, as with any marketable securities, there

can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the initial purchaser of the Bonds depending on the progress of the Development and existing real estate and financial market conditions, among other things. See also "—Bond Purchaser Representations; Restrictions on Transferability" above.

Financial markets in the United States and globally may experience significant volatility and declines in connection with the impact of COVID-19, which may have a material impact on the price of the Bonds in the secondary market. See "—Certain Risks Related to COVID-19 Coronavirus" below.

Certain Risks Related to COVID-19 Coronavirus

In General. The spread of the coronavirus disease 2019 ("COVID-19") is currently altering the behavior of individuals and businesses in a manner that is having significant negative effects on global, national, and local economies. State and local governments, including the State of Colorado (as previously defined, the "State"), have announced orders, recommendations and other measures intended to slow the spread of COVID-19, including the closing of businesses and the issuance of "stay at home" and "safer at home" executive orders. These COVID-19 measures are changing rapidly. A brief summary of the current status of certain of such measures is set forth below. However, such status is subject to change at any time. Although some states, including Colorado, have eased certain restrictions previously put into place, a recent increase in new COVID-19 cases nationally has resulted in many states reversing course and implementing stricter standards. Such governmental measures, and the reluctance of some people to engage in activities that might expose them to COVID-19, has resulted in many businesses experiencing a decline in revenue and in some facing bankruptcy. In addition, mandatory and voluntary business closures, as well as reduced demand in certain sectors, have resulted in increased unemployment, and reduced hours and/or salaries for certain workers. The full extent of the impact of COVID-19 on the economy is uncertain at this time and may be substantial and long-lasting.

"Stay at Home" and "Safer at Home" Executive Orders. On March 25, 2020, Colorado Governor Polis issued Executive Order D 2020 017 (the "Stay At Home Order") which, with certain exceptions, ordered Coloradans to stay at home whenever possible and temporarily shut down a wide range of businesses due to the presence of COVID-19 in the State. The Stay at Home Order was effective March 26, 2020 and remained in effect through April 26, 2020. On April 26, 2020, Colorado Governor Polis issued Executive Order D 2020 044 (the "Original Safer at Home Order") which implemented certain measures to allow certain Coloradans to return to work under certain conditions, including social distancing requirements, and permitted the limited reopening of certain business operations. The Original Safer at Home Order expired on June 1, 2020 and was replaced with Executive Order D 2020 091 (as amended from time to time, the "Current Safer at Home Order"), which was last amended and extended on August 21, 2020 pursuant to Executive Order D 2020 170, and is currently set to expire thirty days from August 21, 2020.

Public Health and Environment PHO 20-28. In response to the Current Safer at Home Order and at the direction of the Governor as set forth therein, the Colorado Department of Public Health and Environment amended its Public Health Order 20-28, the current version of which is the Tenth Amended Public Health Order 20-28 Safer at Home and in the Vast, Great Outdoors dated August 21, 2020 (as amended from time to time, "PHO 20-28"). PHO 20-28 sets forth the requirements for the implementation of the Current Safer at Home Order and sets forth a number of restrictions that must be followed in order for business to remain open. These restrictions include a number of social distancing requirements, including substantially reduced maximum capacity limits for many businesses and activities, with certain places of public accommodation required to remain closed.

Effects of COVID-19 Orders on Property Taxes. Governor Polis issued Executive Order D 2020 012, as amended by Executive Order D 2020 031, Executive Order D 2020 051 and Executive Order D 2020 088, which, among other things, (i) granted county treasurers in Colorado the authority to suspend or waive delinquent interest through April 30, 2020 on late property tax payments, (ii) granted public trustees in Colorado the authority to temporarily extend deadlines up to and including April 30, 2020 in certain Colorado statutory provisions relating to foreclosure sales with respect to real property, and (iii) imposed certain limitations on evictions and foreclosures. These executive orders have expired, but Governor Polis has since issued Executive Order D 2020 101, as amended and extended pursuant to Executive Orders D 2020 134, D 2020 162 and D 2020 185, which provides certain limited eviction and foreclosure protections through thirty days from September 8, 2020. In addition, on June 14, 2020, House Bill 20 1421 ("HB 20-1421") became effective. HB 20-1421 allows a board of county commissioners, with the approval of the related county treasurer, to reduce, waive or suspend interest accrued on delinquent property tax payments for any period of time beginning June 15, 2020 until October 1, 2020.

The Larimer County Treasurer has issued the following statement on its website:

> *House Bill 20-1421 was passed on June 12, 2020 and signed into law on June 14, 2020 by Governor Jared Polis. This bill allows a temporary reduction, waiver, or suspension of delinquent interest payments for property tax payments.*
>
> *The Larimer County Board of Commissioners unanimously voted to adopt this bill on June 15, 2020. With this approval, the Larimer County Treasurer requested to have a reduction in delinquent property tax interest from 12% annually to 1% annually, between June 15, 2020 and October 1, 2020.*
>
> *Taxes must be paid by September 30, 2020 to take advantage of this reduced interest rate. Beginning October 1, 2020, delinquent interest will accrue at 1% per month retroactively back to the date of delinquency per C.R.S. 39-10-104.5(3)(a) and (3)(b) and taxes will be subject to advertising and distraint fees.*
>
> *This reduction applies only to the 2019 taxes payable in 2020. Redemption interest on property tax liens and delinquent interest from prior year taxes are excluded from this reduction.*

It is unknown whether Governor Polis will issue additional executive orders, other governmental action may be taken, or further legislation will be passed, authorizing similar actions or suspending payment of ad valorem property taxes or suspending or limiting foreclosure proceedings relating to real property.

The Senior Pledged Revenue and Subordinate Pledged Revenue pledged to the payment of the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds, respectively is derived primarily from ad valorem property taxes. See "—Series 2020A Senior Bonds: Limited Tax (Convertible to Unlimited Tax) Obligations—*Dependence on Ad Valorem Property Taxes*" and "—Series 2020B Subordinate Bonds: Limited Tax Obligations—*Dependence on Ad Valorem Property Taxes*" below.

If Governor Polis issues additional executive orders, additional legislation is passed which authorizes or directs county treasurers to further extend payment deadlines, waive interest, or forgive liability for property taxes, and/or the Larimer County Treasurer takes further action in this regard, there is no guarantee that such additional action would not adversely affect the amount or timing of the District's property tax revenue. Significant delays in the receipt of property taxes or decreases in the amount of tax revenue received by the District would adversely affect the security for the Bonds, and the effect of such delays or decreases could be material. There can be no assurance that the District's ad valorem property tax

revenues derived from imposition of the Senior Required Mill Levy and the Subordinate Required Mill Levy, respectively, will be as reflected in the Financial Forecast appended as APPENDIX A hereto.

Further, it is possible that the economic impact of COVID-19 could cause, among other things: (i) the assessed value of property in the District to decrease, and (ii) the development of property in the District to slow from what is projected or to stop entirely. Either event could materially reduce the Senior Pledged Revenue and Subordinate Pledged Revenue, as applicable, for the Bonds.

General COVID-19 Risks. It is unknown how extensive the spread of the COVID-19 will be in the State and elsewhere; what the governmental, public and private response thereto will be; or how long the current COVID-19 restrictions will remain in place or whether they will be replaced with stricter restrictions. These things may change rapidly. The District cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; or (iii) the impact the COVID-19 pandemic will have on the Senior Pledged Revenue and Subordinate Pledged Revenue.

There can be no assurance that the spread of COVID-19 and the implementation of restrictions on a local, State and national level, and public and private reaction thereto, will not materially impact the local, State and national economies and, accordingly, there is no guarantee that such occurrences will not adversely affect the amount of the Senior Pledged Revenue and Subordinate Pledged Revenue available for payment of the Bonds, as applicable, or the timing of the receipt of the Senior Pledged Revenue and Subordinate Pledged Revenue, and such adverse effects may be material.

It is impossible to predict and therefore this Limited Offering Memorandum (including the appendices hereto) cannot fully address the various types or the magnitude of the effects that COVID-19 may create globally, nationally, statewide and locally, including with respect to the Senior Pledged Revenue and Subordinate Pledged Revenue. Prospective purchasers of the Bonds should note that this Limited Offering Memorandum provides information as of the dates stated herein and does not reflect updates on the matters described herein including, without limitation, the potential effects of COVID-19, and such updates could be adverse.

Limited Operating History

The District has a very limited operating history. The sources of anticipated District revenue to be pledged to the payment of the Bonds are based on assumptions of the occurrence of certain future events and circumstances, which are not guaranteed to materialize. See "FORWARD LOOKING STATEMENTS," "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH" (such report being referred to herein as the "Financial Forecast") and "APPENDIX C—MARKET STUDY." See also "—Risks Inherent in Financial Forecast and Market Study" below

There is no operating history of the District available for prospective purchasers of the Bonds to assess the viability of its future financial condition and operations. See "THE DISTRICT—Organization and History" and "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data," "—Financial Statements, District Funds and Accounting Principles" and "—Budget and Appropriation Procedure."

Series 2020A Senior Bonds: Limited Tax Obligations

Dependence on Ad Valorem Property Taxes. The primary source of District revenue pledged for debt service on the Series 2020A Senior Bonds is expected to be revenue generated from ad valorem taxes assessed against all taxable property of the District.

The District's ability to retire the indebtedness created by the issuance of the Series 2020A Senior Bonds is dependent upon the development of tax base from which the District can collect sufficient property tax revenue from the imposition of the Senior Required Mill Levy. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "—Completion of Development Not Assured" below. The Financial Forecast (included in APPENDIX A hereto) sets forth the anticipated payment of debt service on the Series 2020A Senior Bonds, based on assumptions concerning the timely receipt of certain City approvals, the commencement of infrastructure and home construction, the rate of growth in the District, and the mill levies imposed for payment of debt service on the Series 2020A Senior Bonds. No assurance is provided that the Series 2020A Senior Bonds will be paid as projected in the Financial Forecast. See "—Risks Inherent in Market Study and Financial Forecast" below and APPENDIX A hereto

Limited Mill Levy. Under the Senior Indenture, the District is to impose ad valorem property taxes in an annual amount equal to the Senior Required Mill Levy. In no event may holders of the Series 2020A Senior Bonds require the District to raise the mill levy above the maximum mill levy of 40.00 mills (subject to adjustment for future changes in the method of calculating assessed valuation occurring after January 1, 2019). See "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds—*Senior Required Mill Levy*."

Series 2020A Senior Bonds: Limited Recourse; No Mortgage

In the event that the revenue derived from the Senior Required Mill Levy and the other components of the Senior Pledged Revenue is insufficient to pay the scheduled principal of and/or interest on the Series 2020A Senior Bonds when due, the unpaid principal will continue to bear interest, and the unpaid interest will compound on each interest payment date (being June 1 and December 1 each year) until the total repayment obligation of the District for the Series 2020A Senior Bonds equals the amount permitted by law; **provided, however, that notwithstanding anything in the Senior Indenture to the contrary, all of the Series 2020A Senior Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the Senior Bond Termination Date, regardless of the amount of principal and interest paid prior to the Senior Bond Termination Date.**

During this period of accrual, so long as the District is imposing the Senior Required Mill Levy, enforcing collection of the Senior Pledged Revenue, and applying the Senior Pledged Revenue as required under the Senior Indenture, the District will not be in default under the Senior Indenture and the Owners will have no recourse against the District to require such payments. In addition, the District will not be liable to the Owners for unpaid principal and interest beyond the amount permitted by law and, upon payment of such permitted amount, it is possible that all Series 2020A Senior Bonds may be deemed defeased. See "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*" and "—*Remedies on Occurrence of Event of Default*."

Payment of the principal of and interest on the Series 2020A Senior Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any property within the District or assets of the District.

Discharge of Series 2020A Senior Bonds on December 31, 2060

Notwithstanding anything in the Senior Indenture to the contrary, including the possibility that the unpaid principal and interest on the Series 2020A Senior Bonds has not yet accrued to the amount permitted by law, as described above under the caption "—Series 2020A Senior Bonds: Limited Recourse; No Mortgage," the Series 2020A Senior Bonds and the lien of the Senior Indenture securing payment thereof will be deemed discharged, the estate and rights thereby granted will cease, terminate and be void, and

thereupon the Trustee will cancel and discharge the lien of the Senior Indenture, and execute and deliver to the District such instruments in writing as required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of and interest on Series 2020A Senior Bonds remaining unpaid.

Series 2020B Subordinate Bonds: Limited Tax Obligations

Dependence on Ad Valorem Property Taxes. The primary source of District revenue pledged for debt service on the Series 2020B Subordinate Bonds is expected to be revenue generated from ad valorem taxes assessed against all taxable property of the District to the extent available after payment of the Series 2020A Senior Bonds and any other Senior Bonds.

The District's ability to retire the indebtedness created by the issuance of the Series 2020B Subordinate Bonds is dependent upon the development of an adequate tax base from which the District can collect sufficient property tax revenue from the imposition of the Subordinate Required Mill Levy. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "—Completion of Development Not Assured" below. The Financial Forecast (included in APPENDIX A hereto) sets forth the anticipated payment of debt service on the Series 2020B Subordinate Bonds, based on assumptions concerning the timely receipt of certain City approvals, the commencement of infrastructure and home construction, the rate of growth in the District, and the mill levies imposed for payment of debt service on the Series 2020B Subordinate Bonds. No assurance is provided that the Series 2020B Subordinate Bonds will be paid as projected in the Financial Forecast. See "—Risks Inherent in Market Study and Financial Forecast" below and APPENDIX A hereto.

Series 2020B Subordinate Bonds; Subordinate Nature of Series 2020B Bonds. Pursuant to the Subordinate Indenture, the District is to impose ad valorem property taxes in an annual amount equal to the Subordinate Required Mill Levy and in no event may holders of the Series 2020B Subordinate Bonds require the District to raise the mill levy above the Subordinate Required Mill Levy of 40.00 mills (subject to adjustment after January 1, 2019 as described herein) less the amount of the Senior Bond Mill Levy. See "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds—*Subordinate Required Mill Levy*." **As a result of the limitations of the Subordinate Pledged Revenue, the District's failure to pay the interest on the Series 2020B Subordinate Bonds when due does not, of itself, constitute an Event of Default under the Subordinate Indenture**. With respect to payment of principal on the Series 2020B Subordinate Bonds, see "—"Cash-Flow" Nature of Series 2020B Subordinate Bonds" below.

The Series 2020A Senior Bonds constitute Senior Bonds and the Series 2020B Subordinate Bonds constitute Subordinate Bonds under the Indentures, respectively. Accordingly, to the extent any revenues are pledged under the Indentures to both the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds, the lien thereon of the Series 2020B Subordinate Bonds is junior and subordinate in all respects to the lien of the Series 2020A Senior Bonds and any other Senior Bonds (as defined in each of the Indentures) issued in the future.

Subordinate Required Mill Levy May Be Zero. The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2020B Subordinate Bonds in an amount equal to 40.000 mills (subject to adjustment as described herein) less the Senior Bond Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of, premium, if any, and interest on the Series 2020B Subordinate Bonds in full. Therefore, if the Senior Bond Mill Levy equals or exceeds 40.000 mills in any year (subject to adjustment as described herein), ***the Subordinate Required Mill Levy for that year shall be zero.***

No Assurance of Release of Amounts From Senior Surplus Fund for Application to Series 2020B Subordinate Bonds

Pursuant to the Senior Indenture, the Senior Surplus Fund is established and held thereunder for so long as any Series 2020A Senior Bonds are Outstanding thereunder; however, certain amounts therein may be released to pay the Series 2020B Subordinate Bonds as described below.

The Senior Surplus Fund is to be funded up to the Maximum Surplus Amount, but solely from and to the extent of excess Senior Pledged Revenue, if any, remaining after payment of debt service on the Series 2020A Senior Bonds (and any other Senior Bonds) in each Bond Year. See "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Surplus Fund*." The District has pledged such amount so released from the Senior Surplus Fund, if any, as Subordinate Pledged Revenue to secure and pay the Series 2020B Subordinate Bonds.

"Cash-Flow" Nature of Series 2020B Subordinate Bonds

The Series 2020B Subordinate Bonds are structured as "cash-flow" bonds, meaning that there are no scheduled payments of principal prior to the final maturity date. Rather, principal on the Series 2020B Subordinate Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2020B Subordinate Bonds on such December 15 (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any). Accrued but unpaid interest on the Series 2020B Subordinate Bonds are to compound annually on each December 15.

Payments of principal on the Series 2020B Subordinate Bonds are to be made (if at all) from the available Subordinate Pledged Revenue (if any) as described above in denominations of $1,000 (each, a "Mandatory Redemption"). The District acknowledges and agrees in the Subordinate Indenture that, notwithstanding anything therein to the contrary, borrowed moneys are not to be used for the purpose of redeeming principal of the Series 2020B Subordinate Bonds pursuant to a Mandatory Redemption. See "THE SERIES 2020B SUBORDINATE BONDS—Redemption—*Mandatory Redemption*" and "—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*."

There is no assurance that Subordinate Pledged Revenue will be sufficient to make payment on the Series 2020B Subordinate Bonds as projected in the Financial Forecast, or ever. See "FINANCIAL FORECAST" above. See also APPENDIX A hereto and "—Risks Inherent in Financial Forecast and Market Study" below.

There is no assurance that Subordinate Pledged Revenue will be sufficient to make payment on the Series 2020B Subordinate Bonds as projected in the Financial Forecast, or ever. ***As demonstrated in the Financial Forecast, it is not anticipated that there will be any Subordinate Pledged Revenue available to pay interest on the Series 2020B Subordinate Bonds until the year 2029 and that there will not be any Subordinate Pledged Revenue available to pay principal on the Series 2020B Subordinate Bonds until the year 2050.***

The Financial Forecast also includes an alternative hypothetical slower growth scenario identified as Alternative A in "Note 7: Hypothetical Assumptions" of the Financial Forecast. Under the hypothetical assumptions in Alternative A, which reflects an absorption rate that will be 50% of the absorption rates anticipated in the District, the alternative forecast projects that the Series 2020B Subordinate Bonds will not be paid in full until December 15, 2056 and the Reserve Fund will decrease to a balance of $105,710 in 2028. See Note 7 of the Financial Forecast set forth in APPENDIX A hereto.

Prospective purchasers are cautioned that the payment of debt service on the Series 2020B Subordinate Bonds presented in the Financial Forecast is only a projection, based upon the assumptions set forth therein, and failure to pay such amounts on the Series 2020B Subordinate Bonds in accordance with such projection will not constitute an event of default under the Subordinate Indenture. See also "—Risks Inherent in Financial Forecast and Market Study" below.

Series 2020B Subordinate Bonds: Limited Recourse; No Mortgage

In the event that the revenue derived from Subordinate Required Mill Levy and the other components of the Subordinate Pledged Revenue is insufficient to pay the principal of and/or interest on the Series 2020B Subordinate Bonds when due, such principal shall remain Outstanding and continue to bear interest and the unpaid interest will compound on each interest payment date (each December 15) at the rate then borne by the Series 2020B Subordinate Bond until the total repayment obligation of the District for the Series 2020B Subordinate Bonds equals the amount permitted by law; **provided, however, that notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2020B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the Subordinate Bond Termination Date, regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date.**

During this period of accrual, so long as the District is imposing the Subordinate Required Mill Levy, enforcing collection of the Subordinate Pledged Revenue, and applying the Subordinate Pledged Revenue in the manner required under the Subordinate Indenture, the District will not be in default under the Subordinate Indenture, and the Owners will have no recourse against the District to require such payments. In addition, the District will not be liable to the Owners for unpaid principal and interest beyond the amount permitted by law and, upon payment of such permitted amount, it is possible that all Series 2020B Subordinate Bonds may be deemed defeased. See "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*" and "—*Remedies on Occurrence of Event of Default*."

Payment of the principal of and interest on the Series 2020B Subordinate Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any property within the District or assets of the District.

Discharge of Series 2020B Subordinate Bonds on December 31, 2060

Notwithstanding anything in the Subordinate Indenture to the contrary, including the possibility that the unpaid principal and interest on the Series 2020B Subordinate Bonds has not yet accrued to the amount permitted by law, as described above under the caption "—Series 2020B Subordinate Bonds: Limited Recourse; No Mortgage," all of the Series 2020B Subordinate Bonds and the lien of the Subordinate Indenture securing payment thereof will be deemed discharged, the estate and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will cancel and discharge the lien of the Subordinate Indenture, and execute and deliver to the District such instruments in writing as required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of and interest on Series 2020B Subordinate Bonds remaining unpaid..

Enforceability of Capital Fees

On October 26, 2020, the District adopted the Facilities Fee Resolution and the imposition of Facilities Fees. The current Facilities Fee for a Residential Unit is $500/unit. The Facilities Fee will first be due and owing as of: (i) the date of transfer to an End User; or (ii) upon issuance of a building permit

for any Residential Unit, whichever occurs first, all as more particularly set forth in the Facilities Fee Resolution.

The Facilities Fee Resolution states, among other things, that any unpaid Facilities Fees shall constitute a statutory and perpetual lien against the property upon which it is imposed pursuant to Section 32-1-1001(1)(j)(I), C.R.S., in part on the basis that said lien is a charge imposed for the provision of services and facilities to the subject property. The Facilities Fee Resolution also states that the lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the subject property and shall run with the land. The District expects to record the Facilities Fee Resolution with the County Clerk and Recorder.

No opinion of counsel will be delivered with respect to the enforceability of the collection remedies of the Facilities Fees as described above and as set forth in the Facilities Fee Resolution. The Facilities Fee Resolution provides that the District may institute such remedies and collection proceedings as are authorized under Colorado law including, but not limited to, foreclosure of its perpetual lien. The perpetual nature of the lien of the Facilities Fees may be challenged and there is no assurance that a court of competent jurisdiction would characterize the Facilities Fee as having a superior lien over other liens (other than taxes) on the subject property. In addition, the actions necessary to legally enforce the collection of unpaid Facilities Fees may be prohibitively costly and such expenses could exceed the amount subject to collection. The District has limited revenue sources and does not have funds set aside for payment of such enforcement activity.

Completion of Development Not Assured

General. Information contained in this Limited Offering Memorandum regarding the current status of the Development has been obtained from the Developer, the Project Manager, the Builders and the Market Study.

The repayment of the Bonds is dependent upon an increase in the assessed valuation of property in the District to establish a tax base from which ad valorem property tax revenues resulting from imposition by the District of the Required Mill Levy are to be collected, and the establishment of a tax base is dependent on the achievement of the development objectives described herein. The growth of a tax base is further dependent upon market demand, market conditions and a variety of other factors beyond the control of the District, the Developer, the Project Manager and the Builders. **According to the Developer and Project Manager, all of the property within the Development is currently undeveloped as of the date of this Limited Offering Memorandum, and no assurance is provided that any tax base greater than that currently in existence will ever be established**.

The Development is a component of the Northfield master-planned community. With final Development Plan and Final Plat approval, Northfield is fully platted and entitled for a maximum of 442 units, subject to certain development and public benefit conditions described herein. The Development is planned to include the construction of 375 condominiums and townhomes, a retail center including 2 apartments, a clubhouse, parks and open space and trails. As of the date of this Limited Offering Memorandum other than initial fill activities there has been no vertical development activity within the District.

According to the Developer, development work on horizontal infrastructure is expected to commence in November 2020 and is planned to be complete in the spring of 2021. Home construction is expected to begin shortly thereafter with the Development's first homes anticipated to be completed in the fourth quarter of 2021.

There is no assurance that the events described above will occur on or about the respective dates set forth above, or ever, and there can be no guarantee that the conditions to issuance of building permits by the City will be met when anticipated, or at all.

The ability of the District to produce tax revenue sufficient to pay debt service on the Bonds is dependent upon an increase in the assessed valuation of the District. Such increase in assessed valuation is dependent upon the development of the District, and the construction and sale of the planned residential units within the Development.

While the foregoing and more detailed descriptions of the planned development provided elsewhere in this Limited Offering Memorandum reflects the reasonable beliefs of the Developer and Project Manager as to the expected completion of the Development, no assurance can be given that build out will occur as presently planned, within the presently anticipated timeframes, or resulting in the presently anticipated product values. All development projections, including, without limitation, the price levels of residential homes to be constructed in the Development, are dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District, the Developer and the Builders have no control. See "—Risks Inherent in Financial Forecast and Market Study" below, "THE DEVELOPMENT," "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH" and "APPENDIX C—MARKET STUDY."

Competition with Other Developments. The Development competes with residential developments in Fort Collins and throughout the northern Colorado area. Such competition may adversely affect the rate of the home construction and absorption within the Development. See also "APPENDIX C—MARKET STUDY" herein.

Other Factors Affecting Rate of Development. Many unpredictable factors could influence the actual rate of development and construction of homes within the Development, including prevailing interest rates, availability of home loans and favorable lending practices, economic conditions generally, supply of residential housing in the vicinity of the Development, availability of property insurance, construction costs, labor conditions and unemployment rates, access to and cost of building supplies, availability and costs of fuel, transportation costs, severe weather and acts of God, among other things.

Tax Reform. The Tax Cuts and Jobs Act, Pub. L. No. 115-97 (the "Tax Act") was approved by the United States Congress on December 20, 2017 and signed into law by the President of the United States on December 22, 2017. The rate of growth within the Development may be affected by changes to the Internal Revenue Code of 1986, as amended (the "Tax Code") resulting from passage of the Tax Act. Such changes impact a number of individual income tax deductions and credits in the Tax Code, including, but not limited to, the deductions for interest on home mortgages and state and local taxes. The impact that such change to the Tax Code may in the future have on the pace of absorption of homes in the Development and resultant increases or decreases in residential home values during the term of the Bonds cannot be predicted and has not been assessed by the providers of the Market Study or the Financial Forecast.

Completion of Public Infrastructure Not Assured

As of the date of this Limited Offering Memorandum, according to the Developer and Project Manager, no infrastructure construction activity has occurred, although substantial planning and engineering work has been completed in connection with the Development. No assurance is provided that the total cost of the Public Improvements, in-tract infrastructure and certain other private infrastructure necessary to serve the Development will be as anticipated, and the actual costs could be in excess of the anticipated amounts due to potential changes in design, unforeseen construction delays, increases in costs

of labor and materials, labor shortages, and other factors beyond the control of the Developer or the Builders.

Financial Condition of and Dependence on the Developer or the Builders

There has been no independent investigation of and no representation is made in this Limited Offering Memorandum regarding the financial soundness of Landmark Homes, Dream Finders Homes or the Developer or their ability to develop the property within the Development as described herein. Moreover, the financial circumstances of Landmark Homes, Dream Finders Homes or the Developer may change from time to time.

Accordingly, assuming that the sale of the property to Landmark Homes and Dream Finders Homes closes pursuant to the terms of the Lot Purchase Agreements, the District will be wholly dependent upon the ability of Landmark Homes, Dream Finders Homes or the Developer to implement the development plan contemplated herein and on the financial resources of Landmark Homes, Dream Finders Homes or the Developer to fund such development. Alternatively, if the closing of the sale of property to Landmark Homes and Dream Finders Homes does not occur, the District will be wholly dependent upon the Developer to form and pursue an alternative plan for the Development. See "—Completion of Development Not Assured" above.

In addition, none of Landmark Homes, Dream Finders Homes or the Developer is obligated to develop the property within the District as planned and described in this Limited Offering Memorandum. Moreover, there is no restriction on the right of Landmark Homes, Dream Finders Homes or the Developer to sell any or all of the property within the District to persons having alternative or no development plans, or of Landmark Homes, Dream Finders Homes or the Developer to withdraw completely from the Development. Prospective investors are urged to make such investigation as deemed necessary concerning the financial soundness of Landmark Homes, Dream Finders Homes or the Developer and their ability and willingness to implement the plan of development as described herein.

Taxpayer Concentration

Based on the preliminary 2020 certified assessed valuation as certified by the County Assessor on October 13, 2020, the Developer owns all of the taxable real property within the District. Such information is subject to change prior to the final certification date of December 10, 2020. See "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*Taxpayers*." However, it is anticipated that, after the sale of lots within the Development to Landmark Homes and Dream Finders Homes the real property will be owned by the Builders.

Accordingly, prior to such sales, the primary responsibility for payment of the District's property taxes is expected to be concentrated in the Developer, and ad valorem property tax revenue is the primary source of revenue pledged to the repayment of the Bonds. Until such time as the public and private infrastructure supporting the Development is completed, a significant number of homes of the Development are constructed, and sales of those homes are closed, the District will be reliant on the Developer for the timely payment of taxes with respect to property in the District.

There is no assurance that the Developer will have the financial resources to pay such property taxes when due, and no independent investigation has been made of the financial soundness of the Developer. See "—No Investigation of Financial Condition of the Developer or Builders" above. Further, there is no assurance that infrastructure and vertical construction within the Development will be completed in the manner anticipated, or that completed homes will be sold at the prices or in the time frames expected.

See "—Completion of Development Not Assured," and "—Completion of Public Infrastructure Not Assured" above. See also the Financial Forecast in "APPENDIX A" hereto.

Property Taxes Not Personal Obligations

Property taxes on real property are not personal obligations of any party, including the Developer or any other property owner. Rather, the obligation to pay property taxes is tied to the specific properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties for which taxes are unpaid. See "—Enforcement of Tax Collection by County" below.

Enforcement of Tax Collection by County

County treasurers in Colorado have the power to impose delinquent interest on unpaid taxes, and each year the county treasurer is to hold a tax lien sale open to the public pursuant to which tax liens on properties subject to delinquent taxes may be acquired, and the holder of the tax lien is entitled to interest thereon until paid. The revenue derived by the county treasurer from such tax lien sales, if any, is applied to the delinquent taxes on the specific properties for which tax liens were sold. To further enforce the tax liens on properties subject to delinquent taxes, the county treasurer has the power to cause the sale of the property that is subject to the delinquent tax after the period allowed for the property owner to redeem such taxes, as provided by law. Such redemption period is approximately three years after the date of sale of a tax lien for delinquent taxes, at the end of which time the property may be sold for a purchase price equal to the tax liens thereon. During such redemption period, a property owner may prevent the sale of the subject property by redeeming the tax liens upon payment of all outstanding taxes then due and owing, interest thereon, and fees or other delinquency charges, if any. The tax lien sale process and the eventual sale of properties subject to tax liens can be a time-consuming process and does not necessarily result in recovery of all amounts due and unpaid. As described above under the caption "—Certain Risks Related to COVID-19 Coronavirus," executive orders, legislation and other governmental action relating to the COVID-19 pandemic may impact rights relating to late property tax payments, evictions and foreclosure.

In addition, the ability of the county treasurer to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor's rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold only if the bankruptcy court approves the sale. There is no assurance that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment.

Finally, the collection of property taxes is dependent upon the property subject to such delinquent taxes having a fair market value sufficient to offset the delinquent taxes then due and owing (and other amounts due, including interest, fees, and other delinquency charges). No assurance can be given as to the future market values of property in the Development. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" below and "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Property Tax Collections*" and "—*Certain Risks Related to COVID-19 Coronavirus*."

Regardless of any level of success in the collection of property taxes through the sale of tax liens, the District is dependent upon the growth in assessed valuation of the property in the District. The growth in the assessed valuation of the property in the District is dependent upon the Developer's ability and willingness to complete the public infrastructure supporting the planned Development and sell the finished lots therein to homebuilders, and is further dependent upon prospective homebuilders completing the residential home construction in the time frames anticipated. See the Financial Forecast in APPENDIX A and the Market Study in APPENDIX C hereto.

Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land

The owners of the Bonds are dependent upon an increase in the assessed value of property within the District from which ad valorem tax revenues can be derived for the payment of debt service on the Bonds. The assessed value of property within the District is determined by multiplying the "actual value" of the property by an assessment rate, and the "actual value" of the property is determined by the County Assessor, all as more particularly described under "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes." Assessed valuations may be affected by a number of factors beyond the control of the District or the Developer. For example, property owners are allowed each year by State law to challenge the valuations of their property, and no assurance can be given that owners of property in the Development, including the Developer, will not do so. Under certain circumstances, State statutes permit the owners of vacant residential property to apply to the County Assessor for discounted valuation of such property for ad valorem property tax purposes and, in certain circumstances, multi-family projects can qualify for an exemption from property taxation. Should the actions of owners of property in the District result in lower assessed valuations of such property, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of finished lots and homes within the Development may be reduced if market prices decline due to economic factors. See also "—Foreclosures" below. Furthermore, property used for tax-exempt purposes, including property owned by charitable or not-for-profit organizations, is not subject to taxation.

In addition, the projected assessed value of property in the District set forth in the Financial Forecast is based on certain assumptions as to the manner in which various properties will be assessed by the County Assessor. While these assumptions are based on information provided by the County Assessor, no assurance is given that any particular methodology presently used by the County Assessor to determine the actual value of property will continue to be used in the future. Any change in the methodology by which the actual value of property is determined could adversely affect the assessed value of property in the District and the property taxes that may be generated thereby. See also "—Risks Inherent in Financial Forecast and Market Study" below and "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH" hereto.

Risk of Growth Limitations or Moratoria

While the planned Development is not currently subject to any growth limitations or development moratoria, there can be no assurance that the State, the County, the City, or, by citizen initiative, the voters of the State, the County, or the City, will not approve limitations or moratoria on residential growth within their respective boundaries, and any such limitations or moratoria could have the effect of delaying, limiting or halting the progression and completion of the Development.

It is possible that the development rights of the Developer would not protect property within the Development from becoming subject to a generally-applied moratoria on growth. It is unknown at this time how such a moratoria would impact the ability of the Developer to obtain the necessary approvals from the City to complete the construction and development within the Development, including building permits and certificates of occupancy.

Risks Inherent in Financial Forecast and Market Study

The Market Study (in APPENDIX C hereto) contains certain projections regarding the sale of homes and home values in the Development, which are based on certain assumptions more particularly set forth therein. The Market Study provides an assessment of absorption and market values based on current market conditions, which conditions are comprised solely of those specifically identified in the Market

Study. The Market Study does not address or evaluate other factors which could impact whether the Development progresses in the manner contemplated therein, including the availability of funding, entitlements and other matters described in "—Completion of Development Not Assured" above.

Based upon the information provided by the Developer and Project Manager as to the projected buildout schedule of the residential units, the corresponding product mix and price levels, and based on certain other assumptions specified therein, the Financial Forecast included in APPENDIX A hereto provides certain forecasts of revenue of the District. The Financial Forecast (in APPENDIX A hereto) sets forth a projection of the payment of debt service on the Bonds based on the assumptions more particularly described in the Financial Forecast. Actual rates of development will be affected by many factors. While the Developer has stated that it believes that the absorption schedule and market values presented in the Financial Forecast are reasonable, no assurance can be given that the actual rate of development and market values will be as presented in the Financial Forecast.

The Financial Forecast and Market Study attached hereto as APPENDICES A and C, respectively, are an integral part of this Limited Offering Memorandum. Investors are encouraged to read the entire Limited Offering Memorandum, including the Financial Forecast and the Market Study, to obtain information essential to the making of an informed investment decision. None of the Underwriter, the District, or the Developer are responsible for the conclusions presented in the Financial Forecast or the Market Study; provided, however, that the Developer has no reason to believe that such conclusions are inherently inaccurate or incomplete.

Directors' Private Interests

Pursuant to State law, all members of the Board of Directors (each, a "Director" and, collectively, the "Board") of the District are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, all of the directors have potential or existing financial, personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof due to existing formal or informal business relationships with the Developer. See "THE DISTRICT—Governing Board."

Foreclosures

In the State, the foreclosure process begins when the lender of a loan secured by a deed of trust on real property informs the borrower of a default in payment. At least 30 days after the borrower is notified of such default and at least 30 days before filing a Notice of Election and Demand ("NED"), the lender must send the borrower a notice containing, among other things, information related to the Colorado Foreclosure Hotline, which provides mortgage modification filing assistance and counseling at no charge. Following a review of the documents by the county public trustee, the NED must be recorded with the county clerk and recorder no later than 10 days following the receipt of such notice. Once the NED is recorded, the property is officially in foreclosure. Such filing can be "cured" or "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. Currently, the period between the recording date of the NED and the foreclosure sale at auction in the State is not less than 110 days and not more than 125 days by law, but in some cases, this period may actually last much longer. As described above under the caption "—Certain Risks Related to COVID-19 Coronavirus," executive orders, legislation and other governmental action relating to the COVID-19 pandemic may impact rights relating to late property tax payments, evictions and foreclosures. There is no assurance that any such extension of deadlines, if granted by a public trustee, will not have an impact on foreclosures in the State or Larimer County.

Property owned by a lending institution as a result of foreclosure is typically resold in the market at a depressed price, resulting in a decrease in assessed valuation of the foreclosed property. In addition, a property foreclosure may have an immediate and/or long-term effect of depressing property values in the surrounding area. Properties following foreclosure typically reenter the market at lower prices, which could result in a reduction of demand for new construction housing, including property within the Development. Increased foreclosure rates could also cause lenders to tighten lending practices, making it difficult for potential homebuyers to finance home acquisitions. Such changes in lending practices could have an impact on the rate of home sales within the Development. See also "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity."

Legal Constraints on District Operations

Various State laws and constitutional provisions govern the assessment and collection of ad valorem property taxes and the issuance of bonds and impose limitations on revenues and spending of the State and local governments, including the District, and limit rates, fees and charges imposed by such entities. State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the District.

Enforceability of Bondholders'
Remedies Upon Default

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including specifically the federal Bankruptcy Code. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which may limit the specific enforcement under State law of certain remedies, including, but not limited to, specific performance; to the exercise by the United States of America of the powers delegated to it by the federal constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies, in the interest of serving an important public purpose.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome. Under current audit procedures, the Service will treat the District as the taxpayer and the Owners may have no right to participate in such procedures. The District has covenanted in each of the Indentures not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Underwriter, Underwriter's Counsel, Bond Counsel, Disclosure Counsel, General Counsel or Counsel to the Underwriter are responsible for paying or reimbursing any Owner of a Bond with respect to any audit or litigation costs relating to the Bonds. See "TAX MATTERS" herein.

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the District, the Developer, or any other owner of property in the District.

Limitations on Remedies Available to Bondholders

The enforceability of the rights and remedies of the Owners, and the obligations incurred by District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers granted to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax-exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

Additional Bonds

The District may issue additional Senior Bonds secured by the Senior Pledged Revenue on parity with the lien thereon of the Series 2020A Senior Bonds which constitute Permitted Refunding Bonds without the consent of the Owners of the Series 2020A Senior Bonds. In addition, the District may issue certain other additional Senior Bonds secured by the Senior Pledged Revenue on parity with the lien thereon of the Series 2020A Senior Bonds without the consent of the Owners of the Series 2020A Senior Bonds, subject to the satisfaction of certain conditions described in "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*." In addition, the District may issue additional Subordinate Bonds secured by the Subordinate Pledged Revenue on parity with the lien thereon of the Series 2020B Subordinate Bonds with the consent of the Owners of the Series 2020B Subordinate Bonds.

The issuance of such additional indebtedness could potentially dilute the Senior Pledged Revenue and the Subordinate Pledged Revenue, respectively, available for payment of the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds, respectively.

Series 2020A Senior Bonds: No Acceleration; No Payment Default

The Senior Indenture provides that acceleration of the Series 2020A Senior Bonds is not an available remedy for an Event of Default or for any other reason.

In addition, the Senior Indenture provides that the **District's failure to pay principal and interest on the Series 2020A Senior Bonds when due does *not* constitute an Event of Default** so long as the District is otherwise in compliance with the Senior Indenture covenants and other provisions relating to the Senior Pledged Revenue. See "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*" and "*—Remedies on Occurrence of Event of Default*."

Series 2020B Subordinate Bonds: No Acceleration; No Payment Default

The Subordinate Indenture provides that acceleration of the Series 2020B Subordinate Bonds is not an available remedy for an Event of Default or for any other reason.

In addition, the Subordinate Indenture provides that the **District's failure to pay principal and interest on the Series 2020B Subordinate Bonds when due does *not* constitute an Event of Default** so long as the District is otherwise in compliance with the Subordinate Indenture covenants and other provisions relating to the Subordinate Pledged Revenue.

See "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*" and "*—Remedies on Occurrence of Event of Default*."

THE SERIES 2020A SENIOR BONDS

Description

The Series 2020A Senior Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2020A Senior Bond issue, reference is made to the Senior Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2020A Senior Bonds. See "INTRODUCTION—Additional Information."

Sources of Payment

Senior Pledged Revenue. The Series 2020A Senior Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Senior Pledged Revenue"): (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iii) the Capital Fees; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Reserve Fund; Senior Reserve Requirement. The Series 2020A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from proceeds of the

Series 2020A Senior Bonds in an amount equal to the Senior Reserve Requirement. See "—Certain Senior Indenture Provisions—*Senior Reserve Fund.*"

Senior Surplus Fund. The Series 2020A Senior Bonds are also secured by the Senior Surplus Fund, which is to be funded from excess Senior Pledged Revenue, if any, up to the maximum amount of $483,000 (the "Maximum Surplus Amount").

See "—Security for the Series 2020A Senior Bonds" below; "DISTRICT FINANCIAL INFORMATION," and "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH."

See "APPENDIX B—SELECTED DEFINITIONS" for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum.

Authorized Denominations of the Series 2020A Senior Bonds

The Series 2020A Senior Bonds are being issued in "Authorized Denominations," defined in the Senior Indenture to mean, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that no individual Series 2020A Senior Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Series 2020A Senior Bond is partially redeemed under the Senior Indenture and the unredeemed portion is less than $500,000, such unredeemed portion of such Series 2020A Senior Bond may nonetheless be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

Payment of Principal and Interest

Subject to the provisions of the Senior Indenture with respect to the discharge of all of the Series 2020A Senior Bonds on the Senior Bond Termination Date, to the extent principal of any Series 2020A Senior Bond is not paid when due, such principal is to remain Outstanding until paid and is to continue to bear interest at the rate then borne by the Series 2020A Senior Bond. To the extent interest on any Series 2020A Senior Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Series 2020A Senior Bond; provided, however, that notwithstanding anything in the Senior Indenture to the contrary, the District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Series 2020A Senior Bonds, including all payments of principal, premium if any, and interest, and all Series 2020A Senior Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The principal of and premium, if any, on the Series 2020A Senior Bonds are payable in lawful money of the United States of America to the Owner of each Series 2020A Senior Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Series 2020A Senior Bond is payable to the person in whose name such Series 2020A Senior Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Senior Record Date, irrespective of any transfer or exchange of such Series 2020A Senior Bond subsequent to such Senior Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for is to cease to be payable to the person who is the Owner thereof at the close of business on the Senior Record Date and is to be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Series 2020A Senior Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected

by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

The Senior Indenture provides that, notwithstanding any provisions therein which provide for notices to Owners by mail, so long as the Series 2020A Senior Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Payments for the principal of and interest on the Series 2020A Senior Bonds will be made as described in "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

Discharge of Series 2020A Senior Bonds on December 31, 2060

Notwithstanding anything in the Senior Indenture to the contrary, all of the Series 2020A Senior Bonds and interest thereon shall be deemed paid, satisfied, and discharged on the Termination Date of December 31, 2060, regardless of the amount of principal and interest paid prior to such date, as more particularly provided in the Senior Indenture. The foregoing does not relieve the District of its obligation to impose the Senior Required Mill Levy in each year prior to the year in which the Termination Date occurs, and to apply the Senior Pledged Revenue in the manner required by the Senior Indenture on and prior to such date.

On the Termination Date, the Series 2020A Senior Bonds and the lien of the Senior Indenture securing payment thereof will be deemed discharged, the estate and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will cancel and discharge the lien of the Senior Indenture, and execute and deliver to the District such instruments in writing as required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of and interest on Series 2020A Senior Bonds remaining unpaid.

Redemption

Optional Redemption. The Series 2020A Senior Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity, and in whole or partial maturities, (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2025 and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest thereon to the date of redemption, together with a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2025 through November 30, 2026	3.00%
December 1, 2026 through November 30, 2027	2.00
December 1, 2027 through November 30, 2028	1.00
December 1, 2028 and thereafter	0.00

Mandatory Sinking Fund Redemption. The Series 2020A Senior Bonds are subject to mandatory sinking fund redemption prior to maturity, in part, by lot, upon payment of 100% of the principal amount of the Series 2020A Senior Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium, on December 1 in the years and in the amounts set forth below:

Year of Redemption	Redemption Amount	Year of Redemption	Redemption Amount
2026	$ 20,000	2039	$230,000
2027	70,000	2040	250,000
2028	105,000	2041	260,000
2029	110,000	2042	285,000
2030	120,000	2043	300,000
2031	125,000	2044	320,000
2032	140,000	2045	335,000
2033	150,000	2046	365,000
2034	165,000	2047	380,000
2035	170,000	2048	410,000
2036	190,000	2049	430,000
2037	200,000	2050 [1]	460,000
2038	220,000		

[1] Final maturity, not a sinking fund redemption.

Selection of Series 2020A Senior Bonds for Mandatory Sinking Fund Redemption. On or before forty-five (45) days prior to each sinking fund installment date as set forth above, the Trustee will select for redemption, by lot in such manner as the Trustee may determine, from the Outstanding Bonds, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

General Redemption Provisions. If less than all of the Series 2020A Senior Bonds within a maturity are to be redeemed on any prior redemption date, the Series 2020A Senior Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Series 2020A Senior Bonds are to be redeemed only in integral multiples of $1,000. In the event a Series 2020A Senior Bond is of a denomination larger than $1,000, a portion of such Series 2020A Senior Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Series 2020A Senior Bond is to be treated for the purpose of redemption as that number of Series 2020A Senior Bonds which results from dividing the principal amount of such Series 2020A Senior Bond by $1,000. In the event a portion of any Series 2020A Senior Bond is redeemed, the Trustee is to, without charge to the Owner of such Series 2020A Senior Bond, authenticate and deliver a replacement Series 2020A Senior Bond or Series 2020A Senior Bonds for the unredeemed portion thereof.

Notice and Effect of Redemption. In the event any of the Series 2020A Senior Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2020A Senior Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid), not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Series 2020A Senior Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Series 2020A Senior Bonds as to which no such failure or defect exists. The redemption of the Series 2020A Senior Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice is to be specifically subject to the deposit of funds by the District. All Series 2020A Senior Bonds so called for redemption will cease to

bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Notices for Series 2020A Senior Bonds Held by a Depository. The Senior Indenture provides that, notwithstanding any provisions therein which provide for notices to Owners by mail, so long as the Series 2020A Senior Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Security for the Series 2020A Senior Bonds

Senior Pledged Revenue. The Series 2020A Senior Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Senior Pledged Revenue"): (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iii) Capital Fees; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Reserve Fund; Senior Reserve Requirement. The Series 2020A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from proceeds of the Series 2020A Senior Bonds in an amount equal to the Senior Reserve Requirement. See "—Certain Senior Indenture Provisions—*Senior Reserve Fund*" below.

Senior Surplus Fund. The Series 2020A Senior Bonds are also secured by the Senior Surplus Fund, which is to be funded from excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount. See "—Certain Senior Indenture Provisions—*Senior Surplus Fund*" below.

Senior Required Mill Levy. The definition of Senior Required Mill Levy is set forth below. The Series 2020A Senior Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of mill levy, not to exceed the Senior Required Mill Levy, for ad valorem property taxes to the County Board of County Commissioners in an amount sufficient to pay, along with other legally available revenues, the principal of and interest on the Series 2020A Senior Bonds, subject to the limitations of the Senior Required Mill Levy. The Senior Indenture provides that in the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the County Treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed. See "—*Covenant to Impose the Senior Required Mill Levy*" below and "RISK FACTORS—Enforcement of Tax Collection by County."

Definition of Senior Required Mill Levy.

The District has covenanted in the Senior Indenture to levy, on all of the taxable property of the District, the Senior Required Mill Levy, defined in the Senior Indenture as follows:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient together with other Senior Pledged Revenue to fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior Bonds as they come due and, if necessary, an amount sufficient to replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement, but (i) not in excess of 40.000 mills, and (ii) for so long as the Senior Surplus Fund is required to be maintained under the Senior Indenture and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 40.000 mills, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior

Bonds as they come due, will replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement and, for so long as the Senior Surplus Fund is required to be maintained hereunder, will fund the Senior Surplus Fund to the Maximum Surplus Amount; provided however, that if, after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement with respect to the classes of property on which the District may impose its mill levy; the minimum and maximum mill levies provided in this paragraph (a) shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization or create a material departure from the Service Plan, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

Covenant to Impose Senior Required Mill Levy. For the purpose of paying the principal of, and premium if any, and interest on the Series 2020A Senior Bonds and funding the Senior Reserve Fund to the Senior Required Reserve and funding the Senior Surplus Fund to the Maximum Surplus Amount as provided in the Senior Indenture, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2020 to 2049, inclusive (and, to the extent necessary to make up any overdue payments on the Senior Bonds, in each year subsequent to 2049, but in no event after 2059), in the amount of the Senior Required Mill Levy. Nothing in the Senior Indenture is to be construed to require the District to levy an ad valorem property tax in an amount in excess of the Senior Required Mill Levy.

Capital Fees. The Senior Indenture defines "Capital Fees" as collectively, (a) the Facilities Fees (defined below) and (b) all other fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed after the date of issuance of the Bonds by the District or any District-owned "enterprise" under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

The Facilities Fees, described below, are the only Capital Fees currently imposed by the District and the District has no plans to impose any additional Capital Fees. In addition, the Service Plan would require amending in order for the District to impose any additional Capital Fees, and the District has no present plans to seek such an amendment. Accordingly, the Facilities Fees are the only Capital Fees expected to be pledged to the Bonds.

Facilities Fees; Facilities Fee Resolution. The Indenture defines the "Facilities Fees" as all of the fees by that name imposed pursuant to the Facilities Fee Resolution (defined below), including the revenue derived from any action to enforce the collection of such fees and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of such fees.

On October 26, 2020, the Board adopted the Facilities Fee Resolution. The current Facilities Fees for a Residential Unit is $500/unit. The Facilities Fee will first be due and owing as of: (i) the date of transfer to an End User; or (ii) upon issuance of a building permit for any Residential Unit, whichever occurs first, all as more particularly set forth in the Facilities Fee Resolution.

Specific Ownership Tax. "Specific Ownership Tax" is defined in the Senior Indenture to mean the specific ownership taxes collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Pursuant to Section 42-3-107, C.R.S., specific ownership tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity's ad valorem taxes represents of the cumulative amount of ad valorem taxes levied county-wide. Changes in State law pursuant to which the specific ownership tax is collected and distributed are not within the control of the District, and could result in a decrease in the present Specific Ownership Tax rates and a corresponding decrease in the amount of Specific Ownership Tax received by the District and payable to the Trustee in accordance with the Senior Indenture.

Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy is pledged to the payment of the Series 2020A Senior Bonds.

See "DISTRICT FINANCIAL INFORMATION" and "APPENDIX A—FORECASTED STATEMENT OF SOURCES AND USES OF CASH."

Certain Senior Indenture Provisions

The following is a description of certain provisions of the Senior Indenture and is subject in all respects to the more specific provisions of the Senior Indenture. See "APPENDIX B—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

The Senior Indenture secures, and the covenants made by the District in the Senior Indenture are for the sole benefit of Owners of the Series 2020A Senior Bonds. Owners of the Series 2020B Subordinate Bonds are not secured by, and have no right to enforce any provision of, the Senior Indenture.

No funds or accounts held under the Senior Indenture secure payment of the Series 2020B Subordinate Bonds. See "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds."

Creation of Senior Funds and Accounts. Under the Senior Indenture, there are created the following funds and accounts, which are to be established, held and maintained by the Trustee in accordance with the provisions of the Senior Indenture:

(a) the Senior Project Fund;

(b) the Senior Bond Fund;

(c) the Costs of Issuance Fund;

(d) the Senior Reserve Fund; and

(e) the Senior Surplus Fund.

Senior Flow of Funds. The District shall transfer all amounts comprising Senior Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District. IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE SENIOR PLEDGED REVENUE TO ANY OTHER PURPOSE OR TO WITHHOLD ANY PORTION OF THE SENIOR PLEDGED REVENUE. In addition, in order to assure the proper application of moneys constituting Senior Pledged Revenue, on and after the date of issuance of any other Parity Bonds or Subordinate Bonds, the District will also transfer to the Trustee all moneys pledged to the payment of such Parity Bonds or Subordinate Bonds which are derived from ad valorem taxes of the District and Specific Ownership Taxes and any such moneys will constitute part of the Trust Estate.

The Trustee will apply the Senior Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other and, in the event that Senior Pledged Revenue is not sufficient to fully fund all amounts required at any single priority level, credits shall be made pro rata, in accordance with the relative amounts required to be deposited to such funds or accounts or, in the case of SIXTH below, the relative outstanding principal amounts of the obligations secured by the applicable funds, and (b) when credits are required to go to funds or accounts which are not held by the Trustee under the Senior Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable.

SECOND: To the credit of the Senior Bond Fund, the amounts required as described below under the caption "*—Senior Bond Fund—Credits to Senior Bond Fund; Capitalized Interest Account*," and to the credit of any other similar fund or account established for the current payment of the principal of, and premium if any, and interest on any other Parity Bonds, the amounts required by the documents pursuant to which the Parity Bonds are issued for the then current Bond Year;

THIRD: To the credit of the Senior Reserve Fund, the amounts required as described below under the caption "*—Senior Reserve Fund*," and to the credit of any reserve fund or similar fund or account established in connection with any other Parity Bonds to secure the payment of the principal of, and premium if any, and interest on such Parity Bonds and fully funded as of the date of issuance of such Parity Bonds, the amounts required by the documents pursuant to which such other Parity Bonds are issued;

FOURTH: For so long as the Senior Surplus Fund is in existence, to the credit of the Senior Surplus Fund, the amount necessary for amounts on deposit in the Senior Surplus Fund to equal the Maximum Surplus Amount required as described below under the caption *"—Senior Surplus Fund"* and to the credit of any other similar surplus fund or account established in connection with any other Parity Bonds to secure payment of the principal of, and premium if any, and interest on such Parity Bonds but not fully funded as of the date of issuance of such Parity Bonds, the amounts required by the documents pursuant to which such other Parity Bonds are issued;

FIFTH: To the credit of any other fund or account established for the payment of the principal of, and premium if any, and interest on Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the documents pursuant to which the Subordinate Bonds are issued;

SIXTH: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Senior Pledged Revenue remaining after the payments and accumulations set forth above.

In the event that any Senior Pledged Revenue is available to be disbursed in accordance with clause SIXTH above, the District will, in making its determination as to the application of such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue from a debt service mill levy, and any then existing pledge or encumbrance on such revenues.

Senior Bond Fund. The Senior Bond Fund is to be established, held and maintained by the Trustee in accordance with the provisions of the Senior Indenture as described below.

Subject to the receipt of sufficient Senior Pledged Revenue, there shall be credited to the Senior Bond Fund each Bond Year an amount of Senior Pledged Revenue which, when combined with other legally available moneys in the Senior Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms hereof), will be sufficient to pay the principal of, premium if any, and interest on the Series 2020A Senior Bonds which have or will become due in the Bond Year in which the credit is made, including as a result of mandatory sinking fund redemption.

Moneys in the Senior Bond Fund (*including* moneys transferred thereto from other funds pursuant to the terms of the Senior Indenture) shall be used by the Trustee solely to pay the principal of, and premium if any, and interest on the Series 2020A Senior Bonds, in the following order of priority:

FIRST, following application of capitalized interest, to the payment of interest due in connection with the Series 2020A Senior Bonds (*including* without limitation current interest, accrued and payable but unpaid interest, and interest due as a result of compounding, if any); and

SECOND, to the extent any moneys are remaining in the Senior Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Senior Bond Fund (*including* any moneys transferred thereto from other funds pursuant to the terms of the Senior Indenture) are insufficient for the payment of the principal of, and premium if any, and interest due on the Series 2020A Senior Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST, the Trustee shall pay such amounts as are available (including any remaining capitalized interest), proportionally in accordance with the amount of interest due on each Series 2020A Senior Bond; and

SECOND, the Trustee shall apply any remaining amounts (not including capitalized interest) to the payment of the principal of and premium, if any, then due on as many Series 2020A Senior Bonds as can be paid with such remaining amounts, such principal payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. Series 2020A Senior Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Series 2020A Senior Bonds the principal of which is due and owing on the due date.

Senior Reserve Fund. Subject to the receipt of sufficient Senior Pledged Revenue, the Senior Reserve Fund will be maintained in the amount of the Required Reserve for so long as any Series 2020A Senior Bond is Outstanding. The District hereby acknowledges that (i) the law places certain restrictions

upon the use of Series 2020A Senior Bond proceeds and debt service mill levies which may be credited to the Senior Reserve Fund, and (ii) the use of moneys released from the Senior Reserve Fund shall be subject to any pledges, liens, or other encumbrances thereon, including without limitation any lien or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

Moneys in the Senior Reserve Fund are to be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of, or premium if any, or interest on the Series 2020A Senior Bonds, and the Senior Reserve Fund is hereby pledged to the payment of the Series 2020A Senior Bonds. In the event the amounts credited to the Senior Bond Fund (including amounts transferred thereto from the Senior Surplus Fund and the Senior Project Fund as described herein) are insufficient to pay the principal of, or premium if any, or interest on the Series 2020A Senior Bonds when due, the Trustee will transfer from the Senior Reserve Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund (including amounts transferred thereto from the Senior Surplus Fund and Senior Project Fund), will be sufficient to make such payments when due. In the event that moneys in the Senior Bond Fund (including amounts transferred thereto from the Senior Surplus Fund and Senior Project Fund), and the Senior Reserve Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Senior Reserve Fund to the Senior Bond Fund. Moneys in the Senior Surplus Fund and Senior Project Fund will be used for payment of the Series 2020A Senior Bonds prior to any use of moneys in the Senior Reserve Fund.

If at any time the Senior Reserve Fund is drawn upon or valued so that the amount of the Senior Reserve Fund is less than the Required Reserve, the Trustee is to apply Senior Pledged Revenue to the credit of the Senior Reserve Fund in amounts sufficient to bring the amount credited to the Senior Reserve Fund to the Required Reserve. Such credits shall be made at the earliest practicable time, but in accordance with and subject to the limitations described under the caption *"—Flow of Funds*." Nothing in the Senior Indenture will be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding the Senior Reserve Fund in excess of the Required Mill Levy. The amount credited to the Senior Reserve Fund shall never exceed the amount of the Required Reserve.

Notwithstanding the foregoing, Permitted Refunding Bonds may be secured by the Senior Reserve Fund in the same fashion as the Series 2020A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds will have a claim upon the Senior Reserve Fund which ranks *pari passu* with the claim of the Series 2020A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Costs of Issuance Fund. All moneys on deposit in the Costs of Issuance Fund are to be applied by the Trustee as directed by the District in accordance with a closing memorandum prepared by the Underwriter for the payment of costs in connection with the issuance of the Bonds, including, without limitation, printing costs, CUSIP fees, regulatory fees, the fees and expenses of Bond Counsel, General Counsel, Underwriter's Counsel and other Counsel, the fees and expenses of the District's accountant, manager, special consultants and other professionals, the costs of the Trustee, and other costs and expenses of the District relating to the issuance of the Bonds. The Trustee may rely conclusively on the directions contained in the closing memorandum and is not required to make any independent investigation in connection therewith. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Bonds are to be transferred by the Trustee into the Senior Bond Fund.

Senior Project Fund. The Senior Project Fund is to be established, held and maintained by the Trustee in accordance with the provisions of the Senior Indenture described below. The Senior Project Fund is to terminate at such time as no further moneys remain therein.

So long as no Event of Default has occurred and is continuing, amounts in the Senior Project Fund will be disbursed by the Trustee to the District in accordance with requisitions submitted to the Trustee in substantially the form set forth in an exhibit to the Senior Indenture, signed by the District Representative or the President or Vice President of the District. The Trustee may rely conclusively on each such requisition and will not be required to make any independent investigation in connection therewith. The execution of any requisition by the District Representative of the District will constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

Upon the occurrence and continuance of an Event of Default under the Senior Indenture, the Trustee is to cease disbursing moneys from the Senior Project Fund, but instead is to apply such moneys in the manner provided in the Senior Indenture as described below under the captions entitled "*—Events of Default*" and "*—Remedies on Occurrence of Event of Default*."

In the event the amounts credited to the Senior Bond Fund (*including* amounts transferred therein from the Senior Surplus Fund but not including the Senior Reserve Fund) are insufficient to pay the principal of and/or interest on the Series 2020A Senior Bonds when due and there is no Event of Default, the Trustee shall transfer moneys from the Senior Project Fund, which may be all of the moneys in the Senior Project Fund, which may be all of the moneys in the Senior Project Fund, to the Bond Fund for the purpose of paying the Series 2020A Senior Bonds when due so as to obviate or reduce the need to draw upon the Senior Reserve Fund for such purpose.

Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Senior Project Fund will be credited to the Senior Bond Fund.

Senior Surplus Fund. The Senior Surplus Fund is to be established, held and maintained by the Trustee in accordance with the provisions of the Senior Indenture as described below.

Subject to the receipt of sufficient Senior Pledged Revenue, the Senior Surplus Fund shall be maintained until the earlier of the Conversion Date or the date on which no Series 2020A Senior Bonds remain outstanding. The District hereby acknowledges that (i) the law places certain restrictions upon the use of Series 2020A Senior Bond proceeds and debt service mill levies which may be credited to the Senior Surplus Fund, and (ii) the use of moneys released from the Senior Surplus Fund shall be subject to any pledges, liens, or other encumbrances thereon, including without limitation any lien or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds. On and after the date that the Series 2020A Senior Bonds are no longer Outstanding under the Senior Indenture (and assuming no Permitted Refunding Bonds or any other Parity Bonds are then outstanding), unless transferred earlier pursuant to the provisions hereof, any amount remaining in the Senior Surplus Fund is to be remitted to the District for application to any lawful purpose of the District.

The Surplus Fund will not be funded from Series 2020A Senior Bond proceeds, but is to be funded up to the Maximum Surplus Amount solely from deposits of Senior Pledged Revenue as provided under the caption *"—Flow of Funds*" and except to the extent Senior Pledged Revenue is available therefor, the District has no obligation to fund the Senior Surplus Fund.

In the event the amounts credited to the Senior Bond Fund are insufficient to pay the principal of, or premium if any, or interest on the Series 2020A Senior Bonds when due, the Trustee is to transfer from the Senior Surplus Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund (prior to any transfer from the Senior Project Fund or the Senior Reserve Fund), will be sufficient to make such payments when due; and in the event the amounts in the Senior Bond Fund (prior to any transfer from the Senior Project Fund or Senior Reserve Fund) and the Senior Surplus Fund are insufficient to pay all principal, premium if any, and interest on any due date, the Trustee shall nonetheless

transfer all of the moneys in the Senior Surplus Fund to the Senior Bond Fund to be used to make partial payments with respect to the Series 2020A Senior Bonds as provided under the caption "—Senior Bond Fund." Amounts in the Senior Surplus Fund (i) shall be transferred to the Senior Bond Fund to be used for payment of the Series 2020A Senior Bonds before any use of moneys in the Senior Project Fund or the Senior Reserve Fund, and (ii) will not be transferred to the Senior Bond Fund to be used to redeem Series 2020A Senior Bonds being called pursuant to any optional redemption provisions under the Senior Indenture unless such redemption is of all Outstanding Bonds, but shall be used to pay Series 2020A Senior Bonds coming due as a result of any mandatory redemption provisions of the Senior Indenture.

On and after the Conversion Date, the Trustee is to release all amounts on deposit in the Senior Surplus Fund in accordance with this section.

Notwithstanding the foregoing, Permitted Refunding Bonds may be secured by the Senior Surplus Fund in the same fashion as the Series 2020A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds shall have a claim upon the Senior Surplus Fund which ranks *pari passu* with the claim of the Series 2020A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds; provided however, and such claim cannot impair release of the Senior Surplus Fund upon the Conversion Date.

Additional Covenants and Agreements of the District in Senior Indenture. The District irrevocably covenants in the Senior Indenture and agrees with each and every Owner that so long as any of the Series 2020A Senior Bonds remain Outstanding:

The District is not to dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Series 2020A Senior Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided, however, that the foregoing is not to prevent the District from dissolving pursuant to the provisions of the Special District Act.

At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District is to use its reasonable efforts to have such audit report completed no later than September 30 of the calendar year immediately succeeding the calendar year which is the subject of such audit. The foregoing covenant is to apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and audit will be filed and recorded in the places, at the time, and in the manner provided by law.

The District will carry general liability, public officials' liability, and such other forms of insurance coverage on insurable District property upon the terms and conditions, in such amounts and issued by recognized insurance companies, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations.

Each District official or other person having custody of any District funds or responsible for the handling of such funds, is to be bonded or insured against theft or defalcation at all times.

In the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

In the event the Senior Pledged Revenue and other moneys available under the Senior Indenture for payment of the Series 2020A Senior Bonds is insufficient or is anticipated to be insufficient to pay the principal of, premium if any, and interest on the Series 2020A Senior Bonds when due, the District shall use its reasonable efforts to refinance, refund, or otherwise restructure the Series 2020A Senior Bonds so as to avoid such insufficiency.

The District will enforce the collection of the Facilities Fees and any other Capital Fees. The District will not, without the prior consent of 100% of the Owners of the Bonds and 100% of the Owners of the Subordinate Bonds then Outstanding, amend or consent to the amendment of the Facilities Fee Resolution or any other resolution pursuant to which Capital Fees are imposed if such amendment would result in a reduction of the rate or amount of the Facilities Fees or other Capital Fees, delay the payment or receipt thereof, or otherwise materially adversely affect the Senior Pledged Revenue.

Additional Bonds. After issuance of the Series 2020A Senior Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Senior Indenture, as described below. The Senior Indenture does not limit the issuance or incurrence of obligations not included within the definition of Additional Bonds (as defined in APPENDIX B hereto). The Senior Indenture provides that the District is not to create, incur, assume, or suffer to exist any liens or encumbrances upon the ad valorem tax revenues of the District or the Senior Pledged Revenue or any part thereof superior to the lien thereon of the Series 2020A Senior Bonds.

Permitted Refunding Bonds. The District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion. See APPENDIX B hereto for a definition of "Permitted Refunding Bonds."

Senior Bonds. The District may issue additional Senior Bonds, on parity with the Series 2020A Senior Bonds, if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Series 2020A Senior Bonds then Outstanding, provided that, with *or without such consent*, the District may issue additional Senior Bonds if each of the following conditions are met as of the date of issuance of such additional Senior Bonds:

(a) No Event of Default has occurred and is continuing under the Senior Indenture, and no amounts of principal or interest on the Series 2020A Senior Bonds or any other Senior Bonds then outstanding are due but unpaid.

(b) The amount of the Senior Reserve Fund is not less than the Required Reserve; and

(c) Upon issuance of the additional Senior Bonds, the Debt to Assessed Ratio of the District will be 50% or less.

Subordinate Bonds. In addition to the Series 2020B Subordinate Bonds, the District may issue additional Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Series 2020A Senior Bonds then Outstanding; provided that, with or without such consent, the District may issue Subordinate if the Subordinate Bonds are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the final principal or interest payment date due in that calendar year on the Series 2020A Senior Bonds.

District Certification. A written certificate by the President or Vice President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth in the Senior Indenture and described

above are met is to conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance with the Senior Indenture.

Events of Default. The Senior Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions is to constitute an Event of Default under the Senior Indenture (whatever the reason for such event or condition and whether it is to be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there is to be no default or Event of Default thereunder except as provided in the Senior Indenture:

(a) The District fails or refuses to impose the Senior Required Mill Levy, collect the Capital Fees;

(b) The District fails to apply the Senior Pledged Revenue as required by the Senior Indenture;

(c) The District defaults in the performance or observance of any of the other covenants, agreements, or conditions on the part of the District in the Senior Indenture or the Bond Resolution, other than as described in (a) and (b) above, and fails to remedy the same after notice thereof pursuant to the Senior Indenture; or

(d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020A Senior Bonds.

The parties hereto acknowledge that due to the limited nature of the Senior Pledged Revenue that the failure to pay the principal of or premium, if any, or interest on the Series 2020A Senior Bonds when due shall not, of itself, constitute an Event of Default under the Senior Indenture.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE SENIOR INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES THAT APPLICATION OF ANY PORTION OF THE SENIOR PLEDGED REVENUE TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS REQUIRED BY THE SENIOR INDENTURE CONSTITUTES AN EVENT OF DEFAULT UNDER THE SENIOR INDENTURE, AND IN NO EVENT SHALL THE DISTRICT BE PERMITTED TO WITHHOLD ANY PORTION OF SENIOR PLEDGED REVENUE OR APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE AS REQUIRED BY THE SENIOR INDENTURE.

IN ADDITION, IT IS ACKNOWLEDGED THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SENIOR REQUIRED MILL LEVY PURSUANT TO THE TERMS OF THE SENIOR INDENTURE FOR PAYMENT OF THE SERIES 2020A SENIOR BONDS AFTER DECEMBER 2059 (FOR COLLECTION IN CALENDAR YEAR 2060).

The Trustee is to give to the Owners of all Series 2020A Senior Bonds notice by mailing to the address shown on the registration books or by electronic means to DTC maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to the Senior Indenture), within ninety (90) days after the occurrence of such Event of Default unless such Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default under paragraph (c) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is given by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Series 2020A Senior Bonds Outstanding to the District, and the District is to have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Senior Indenture provides that the Trustee is to have the following rights and remedies which may be pursued:

(a) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate under the Senior Indenture, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Senior Indenture to, the Trustee.

(b) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Series 2020A Senior Bonds, the Bond Resolution, the Senior Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

(c) *Mandamus or Other Suit*. The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Senior Indenture or any rights, powers, or remedies of the Trustee under the Senior Indenture, or any lien, rights, powers, and remedies of the Owners of the Series 2020A Senior Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

If any Event of Default under paragraph (a) or (b) of "—Events of Default" above is to have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2020A Senior Bonds then Outstanding, the Trustee is to be obligated to exercise such one or more of the rights and powers conferred by the Senior Indenture as the Trustee, being advised by Counsel, is to deem most expedient in the interests of the Owners; provided that the Trustee at its option is to be indemnified as provided in the Senior Indenture.

Acceleration of the Series 2020A Senior Bonds is not an available remedy for an Event of Default.

The Owners of a majority in aggregate principal amount of the Series 2020A Senior Bonds then Outstanding are to have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Senior Indenture, or for the appointment of a receiver, and any other proceedings under the Senior Indenture; provided that such direction is not to be otherwise than in accordance with the provisions of the

Senior Indenture; and provided further that at its option the Trustee is to be indemnified as provided in the Senior Indenture.

No Owner of any Series 2020A Senior Bond is to have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Senior Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Senior Indenture, or of which under the Senior Indenture it is deemed to have notice, and unless such default is to have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Series 2020A Senior Bonds then Outstanding are to have made written request to the Trustee and are to have offered reasonable opportunity either to proceed to exercise the powers granted in the Senior Indenture or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in the Senior Indenture, nor unless the Trustee is to thereafter fail or refuse to exercise the powers granted in the Senior Indenture, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Senior Indenture, or for the appointment of a receiver or for any other remedy under the Senior Indenture; it being understood and intended that no one or more Owners of Series 2020A Senior Bonds are to have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Senior Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity are to be instituted, had, and maintained in the manner therein provided and for the equal benefit of the Owners of all Series 2020A Senior Bonds then Outstanding.

The Trustee may in its discretion waive any Event of Default under the Senior Indenture and its consequences, and is to do so upon the written request of the Consent Parties with respect to not less than a majority in aggregate principal amount of all the Series 2020A Senior Bonds then Outstanding; provided, however, that there is not to be waived without the consent of the Consent Parties with respect to one hundred percent (100%) of the Series 2020A Senior Bonds then Outstanding as to which the Event of Default exists any Event of Default described in paragraph (a) or (b) under "—*Events of Default*" above. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default are to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners are to be restored to their former positions and rights thereunder respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Senior Indentures Not Requiring Consent. Subject to the provisions of the Senior Indenture, the District and the Trustee may, *without* the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes.

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Senior Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Senior Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Series 2020A Senior Bonds.

(b) To subject to the Senior Indenture additional revenues, properties, or collateral.

(c) To grant or confer upon the Trustee for the benefit of the Owners of the Series 2020A Senior Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee.

(d) To qualify the Senior Indenture under the Trust Indenture Act of 1939.

Supplemental Senior Indentures Requiring Consent. Except for supplemental indentures delivered pursuant to the terms of the Senior Indenture as described in the preceding paragraph, and subject to the provisions of the Senior Indenture, the Consent Parties with respect to not less than a majority (or for modifications of provisions of the Senior Indenture which require the consent of a percentage of Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Series 2020A Senior Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental to the Senior Indenture as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Senior Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing contained in the Senior Indenture is to permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Outstanding Series 2020A Senior Bond, in the principal amount of any Outstanding Series 2020A Senior Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2020A Senior Bonds when due;

(c) a privilege or priority of any Series 2020A Senior Bond or any interest payment over any other Series 2020A Senior Bond or interest payment; or

(d) a reduction in the percentage in principal amount of the Outstanding Series 2020A Senior Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

Upon the execution of any supplemental indenture as set forth above, the Senior Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Senior Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced under the Senior Indenture, subject in all respects to such modifications and amendments.

THE SERIES 2020B SUBORDINATE BONDS

Description

The Series 2020B Subordinate Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2020B Subordinate Bond issue, reference is made to the Subordinate Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2020B Subordinate Bonds. See "INTRODUCTION—Additional Information."

The Series 2020B Subordinate Bonds are authorized, issued and secured by and in accordance with the Subordinate Indenture. No covenant, agreement or other provision of the Senior Indenture

secures or is otherwise made by the District or the Trustee for the benefit of Owners of the Series 2020B Subordinate Bonds.

Sources of Payment

The Series 2020B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax revenues resulting from the Subordinate Required Mill Levy; (iii) any Capital Fees available after application pursuant to the Series 2020A Senior Indenture or any indenture, resolution, loan agreement or other document securing Senior Bonds; (iv) the amounts, if any, in the Series 2020A Senior Bonds Surplus Fund released to the District pursuant to the Series 2020A Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.. See "—Security for the Series 2020B Subordinate Bonds" below.

"Cash-Flow" Nature of Series 2020B Subordinate Bonds

The Series 2020B Subordinate Bonds are structured as "cash-flow" bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Series 2020B Subordinate Bonds is payable from, and solely to the extent of, Subordinate Pledged Revenue, if any, remaining after the annual payment of interest due on the Series 2020B Subordinate Bonds (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) pursuant to a mandatory redemption of as many Series 2020B Subordinate Bonds as can be redeemed with such remaining Subordinate Pledged Revenue following the notice of prior redemption as provided in the Subordinate Indenture. See "—Redemption—*Mandatory Redemption*" below and "—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*."

There is no assurance that Subordinate Pledged Revenue will be sufficient to make payment on the Series 2020B Subordinate Bonds as projected in the Financial Forecast, or ever. ***As demonstrated in the Financial Forecast, it is not anticipated that there will be any Subordinate Pledged Revenue available to pay interest on the Series 2020B Subordinate Bonds until the year 2029 and that there will not be any Subordinate Pledged Revenue available to pay principal on the Series 2020B Subordinate Bonds until the year 2050.***

The Financial Forecast also includes an alternative hypothetical slower growth scenario identified as Alternative A in "Note 7: Hypothetical Assumptions" of the Financial Forecast. Under the hypothetical assumptions in Alternative A, which reflects an absorption rate that will be 50% of the absorption rates anticipated in the District, the alternative forecast projects that the Series 2020B Subordinate Bonds will not be paid in full until December 15, 2056 and the Reserve Fund will decrease to a balance of $105,710 in 2028. See Note 7 of the Financial Forecast set forth in APPENDIX A hereto.

See "FINANCIAL FORECAST" herein. See also the Financial Forecast in APPENDIX A hereto, the Market Study in APPENDIX C hereto, and "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study."

Authorized Denominations of the Series 2020B Subordinate Bonds

The Series 2020B Subordinate Bonds are being issued in "Authorized Denominations," defined in the Subordinate Indenture to mean, $500,000 or any integral multiple of $1,000 in excess thereof, provided that no individual Series 2020B Subordinate Bond may be in an amount which exceeds the principal amount

coming due on any maturity date for such series and in the event a Series 2020B Subordinate Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Series 2020B Subordinate Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

Payment of Principal and Interest

The Series 2020B Subordinate Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable on December 15 each year to the extent of Subordinate Pledged Revenue available therefor, commencing December 15, 2021.

Subject to the provisions of the Subordinate Indenture with respect to the discharge of all of the Series 2020B Subordinate Bonds on the Subordinate Bond Termination Date, to the extent principal of any Series 2020B Subordinate Bond is not paid on or prior to the maturity date of such Series 2020B Subordinate Bond, such principal will remain Outstanding and will continue to bear interest at the rate then borne by such Series 2020B Subordinate Bond, and to the extent interest on any Series 2020B Subordinate Bond is not paid when due, such interest is to compound on each Interest Payment Date at the rate then borne by the Series 2020B Subordinate Bond; provided, however, that notwithstanding anything in the Subordinate Indenture to the contrary, the District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Series 2020B Subordinate Bonds, including all payments of principal, premium if any, and interest, and all Series 2020B Subordinate Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The principal of and premium, if any, on the Series 2020B Subordinate Bonds are payable in lawful money of the United States of America to the Owner of each Series 2020B Subordinate Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Series 2020B Subordinate Bond is payable to the person in whose name such Series 2020B Subordinate Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Subordinate Record Date, irrespective of any transfer or exchange of such Series 2020B Subordinate Bond subsequent to such Subordinate Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for is to cease to be payable to the person who is the Owner thereof at the close of business on the Subordinate Record Date and is to be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest.

Such Special Record Date is to be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date is to be given to the Owners of the Series 2020B Subordinate Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Notwithstanding the provisions of the Subordinate Indenture which provide for notices to Owners by mail, so long as the Series 2020B Subordinate Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Payments for the principal of and interest on the Series 2020B Subordinate Bonds will be made as described in "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

Discharge of Series 2020B Subordinate Bonds on December 31, 2060

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2020B Subordinate Bonds and interest thereon will be deemed paid, satisfied, and discharged on the Termination Date of December 31, 2060, regardless of the amount of principal and interest paid prior to such date; provided that the foregoing does not relieve the District of its obligation to impose the Subordinate Required Mill Levy in each year prior to the year in which the Termination Date occurs, and to apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

On the Subordinate Bond Termination Date, all Series 2020B Subordinate Bonds then Outstanding will be discharged and the Subordinate Indenture will terminate, and the estate and rights thereby granted will cease, terminate, and be void, and on such date the Trustee is to cancel the Series 2020B Subordinate Bonds and discharge the lien of the Subordinate Indenture, and execute and deliver to the District such instruments in writing as may be required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Series 2020B Subordinate Bonds remaining unpaid.

Redemption

Optional Redemption. The Series 2020B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity, and in whole or partial maturities, (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2025 and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest thereon to the date of redemption, together with a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2025 through November 30, 2026	3.00%
December 1, 2026 through November 30, 2027	2.00
December 1, 2027 through November 30, 2028	1.00
December 1, 2028 and thereafter	0.00

Mandatory Redemption from Subordinate Bond Fund. The 2020B Subordinate Bonds also are subject to mandatory redemption, as a whole or in part by lot in integral multiples of $1,000, on any date, upon payment of 100% of the principal amount of the 2020B Subordinate Bonds to be redeemed, plus accrued interest to the redemption date, without redemption premium, from moneys in the Subordinate Bond Fund See "—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*" below."

General Redemption Provisions. Except as otherwise provided in the Subordinate Indenture, if less than all of the Series 2020B Subordinate Bonds within a maturity are to be redeemed on any prior redemption date, the Series 2020B Subordinate Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Series 2020B Subordinate Bonds are to be redeemed only in integral multiples of $1,000. In the event a Series 2020B Subordinate Bond is of a denomination larger than $1,000, a portion of such Series 2020B Subordinate Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Series 2020B Subordinate Bond is to be treated for the purpose of redemption as that number of Series 2020B Subordinate Bonds which results from dividing the principal amount of such Series 2020B Subordinate Bond by $1,000. In the event a portion of any Series 2020B Subordinate Bond is redeemed, the Trustee is to, without charge

to the Owner of such Series 2020B Subordinate Bond, authenticate and deliver a replacement Series 2020B Subordinate Bond or Series 2020B Subordinate Bonds for the unredeemed portion thereof.

Notice and Effect of Redemption. In the event any of the Series 2020B Subordinate Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2020B Subordinate Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid), not less than twenty (20) days prior to the date fixed for redemption, to the Owner of each Series 2020B Subordinate Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Series 2020B Subordinate Bonds as to which no such failure or defect exists. The redemption of the Series 2020B Subordinate Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice is to be specifically subject to the deposit of funds by the District. All Series 2020B Subordinate Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Notices for Series 2020B Subordinate Bonds Held by a Depository. The Subordinate Indenture provides that, notwithstanding any provisions therein which provide for notices to Owners by mail, so long as the Series 2020B Subordinate Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Security for the Series 2020B Subordinate Bonds

Subordinate Pledged Revenue. The Series 2020B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County (collectively, the "Subordinate Pledged Revenue"): (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax revenues resulting from the Subordinate Required Mill Levy; (iii) any Capital Fees available after application pursuant to the Series 2020A Senior Indenture or any indenture, resolution, loan agreement or other document securing Senior Bonds; (iv) the amounts, if any, in the Series 2020A Senior Bond Surplus Fund released to the District pursuant to the Series 2020A Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate Required Mill Levy. The definition of Subordinate Required Mill Levy is set forth below. The Series 2020B Subordinate Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Subordinate Required Mill Levy, for ad valorem property taxes to the County Board of County Commissioners in an amount sufficient to pay, along with other legally available revenues, the principal of, premium if any, and interest on the Series 2020B Subordinate Bonds. The Subordinate Indenture provides that in the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the County Treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed. See "—*Covenant to Impose the Subordinate Required Mill Levy*" below and "RISK FACTORS—Enforcement of Tax Collection by County."

"*Subordinate Required Mill Levy*" shall have the following meaning:

(a) Subject to paragraph (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District in an amount of 40.000 mills,

as adjusted in accordance with paragraph (b) below, less the amount of the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Bond Required Mill Levy equals or exceeds 40.000 mills in any year, adjusted for changes as described in subsection (b) below, the Subordinate Required Mill Levy for that year shall be zero.

(b) In the event the method of calculating assessed valuation is changed on or after January 1, 2019, the mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. 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.

(c) Notwithstanding anything in the Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Senior Bond Mill Levy. The "Senior Bond Mill Levy" referred to in the definition of Subordinate Required Mill Levy above consists of the Senior Required Mill Levy and any other mill levy required to be imposed for payment of other Senior Bonds outstanding, if any, under the applicable instrument pursuant to which such Senior Bonds are issued and secured.

Covenant To Impose the Subordinate Required Mill Levy. The Subordinate Indenture provides that for the purpose of paying the principal of, premium if any, and interest on the Series 2020B Subordinate Bonds, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in the years 2020 to 2049, inclusive (and, to the extent necessary to make up any overdue payments on the 2020B Subordinate Bonds, in each year subsequent to 2049, but in no event after 2059), in the amount of the Subordinate Required Mill Levy. Nothing in the Subordinate Indenture will be construed to require the District to levy an ad valorem property tax in an amount in excess of the Subordinate Required Mill Levy. When collected, the taxes levied for the foregoing purposes shall be deposited with the Trustee pursuant to the Subordinate Indenture.

NOTWITHSTANDING ANY OTHER PROVISION IN THE SUBORDINATE INDENTURE, THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SUBORDINATE REQUIRED MILL LEVY FOR PAYMENT OF THE BONDS AFTER TAX LEVY YEAR (FOR COLLECTION IN CALENDAR YEAR 2060).

The Subordinate Indenture further provides that it is the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Subordinate Indenture with reference to the levying and collection of taxes; and the Board is, pursuant the terms of the Subordinate Indenture, to levy, certify and collect said taxes in the manner provided by law for the purposes described above.

Subordinate Required Mill Levy Could be Zero. The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2020B Subordinate Bonds in an amount equal to 40.000 mills (as adjusted for changes in law with respect to the method of calculating assessed valuation occurring

after January 1, 2019) *less* the Senior Bond Mill Levy. Therefore, if the Senior Bond Mill Levy equals or exceeds 40.000 mills in any year (as adjusted for changes in law with respect to the method of calculating assessed valuation occurring after the date of issuance of the Series 2020B Subordinate Bonds), ***the Subordinate Required Mill Levy for that year will be zero***. See "RISK FACTORS—Series 2020B Subordinate Bonds: Limited Tax Obligations."

Specific Ownership Tax. "Specific Ownership Tax" is defined in the Subordinate Indenture to mean the specific ownership tax which is collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Pursuant to Section 42-3-107, C.R.S., Specific Ownership Tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity's ad valorem taxes represents of the cumulative amount of ad valorem taxes levied county-wide. Changes in State law pursuant to which the Specific Ownership Tax is collected and distributed are not within the control of the District, and could result in a decrease in the present Specific Ownership Tax rates and a corresponding decrease in the amount of Specific Ownership Tax received by the District and payable to the Trustee in accordance with the Subordinate Indenture.

Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy is pledged to the payment of the Series 2020B Subordinate Bonds.

Certain Subordinate Indenture Provisions

The following is a description of certain provisions of the Subordinate Indenture and is subject in all respects to the more specific provisions of the Subordinate Indenture. See "APPENDIX B—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

Creation of Funds. Under the Subordinate Indenture, there are created the following funds and accounts, which are to be established, held and maintained by the Trustee in accordance with the provisions of the Subordinate Indenture:

(a) the Subordinate Project Fund; and

(b) the Subordinate Bond Fund.

Subordinate Project Fund.

In General. The Subordinate Project Fund shall be maintained by the Trustee in accordance with the terms of this Section. The Subordinate Project Fund shall terminate at such time as no further moneys remain therein.

Draws. So long as no Event of Default has occurred and is continuing under the Subordinate Indenture, amounts in the Subordinate Project Fund are to be disbursed by the Trustee to the District in accordance with requisitions submitted to the Trustee in substantially the form set forth in an exhibit thereto, signed by the District Representative, or the President or Vice President of the District. The Trustee may rely conclusively upon any such requisition received and shall have no obligation to make an independent investigation in connection therewith.

Events of Default. Upon the occurrence and continuance of an Event of Default under the Subordinate Indenture, the Trustee is to cease disbursing moneys from the Subordinate Project Fund, and instead, the Trustee is to apply such moneys in the manner provided by the sections of the Subordinate

Indenture described below under the captions "—*Events of Default*" and "—*Remedies on Occurrence of Event of Default*."

Termination of Subordinate Project Fund. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Subordinate Project Fund shall be credited to the Subordinate Bond Fund. The Subordinate Project Fund will terminate at such time as no further moneys remain therein

Subordinate Flow of Funds. The District shall transfer all amounts comprising Subordinate Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District. IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE TO ANY OTHER PURPOSE OR TO WITHHOLD ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE. In addition, in order to assure the proper application of moneys constituting Subordinate Pledged Revenue, on and after the date of issuance of any other Subordinate Bonds or any Second Subordinate Bonds, the District shall also transfer to the Trustee all moneys pledged to the payment of such other Subordinate Bonds or Second Subordinate Bonds which are derived from ad valorem taxes of the District or Specific Ownership Taxes, and any such moneys shall be constitute part of the Trust Estate. The Trustee shall apply the Subordinate Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other, and, in the event that Subordinate Pledged Revenue is not sufficient to fully fund all amounts required at any single priority level, credits shall be made *pro rata*, in accordance with the relative amounts required to be deposited to such funds or accounts or, in the case of THIRD below, the relative outstanding principal amounts of the obligations secured by the applicable funds, and (b) when credits are required to go to funds or accounts which are not held by the Trustee under the Subordinate Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable.

SECOND: To the credit of the Subordinate Bond Fund, the amounts described below in the section entitled "—*Subordinate Bond Fund; Mandatory Redemption*," and to the credit of any other similar fund or account established for the payment of the principal of, and premium if any, and interest on any additional Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established in connection with such additional Subordinate Bonds, the amounts required by the documents pursuant to which the additional Subordinate Bonds are issued for the current Bond Year; and

THIRD: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose (including without limitation the payment of any Second Subordinate Bonds), any Subordinate Pledged Revenue remaining after the payments and accumulations set forth above.

In the event that any Subordinate Pledged Revenue is available to be disbursed in accordance with clause THIRD above, the District will, in making its determination as to the application of such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue from a debt service mill levy, and any then existing pledge or encumbrance on such revenues.

Subordinate Bond Fund; Credit of Subordinate Pledged Revenue. Pursuant to the Subordinate Indenture, the Subordinate Bond Fund is to be held and maintained by the Trustee in accordance with the terms of the Subordinate Indenture described below.

Credit of Subordinate Pledged Revenue. For so long as the 2020B Subordinate Bonds are the only Subordinate Bonds then outstanding, all Subordinate Pledged Revenue received by the Trustee shall be credited to the Subordinate Bond Fund until the amount therein is sufficient to fully pay, satisfy, and discharge all of the 2020B Subordinate Bonds. If any Subordinate Bonds other than the 2020B Subordinate Bonds are issued, the District will so inform the Trustee in writing, and thereafter the Subordinate Pledged Revenue shall be allocated between the 2020B Subordinate Bonds and such other Subordinate Bonds on a pro rata basis, in accordance with the relative outstanding principal amounts of such issues.

Use of Moneys. Moneys in the Subordinate Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the Subordinate Indenture) shall be used by the Trustee solely to pay the principal of, and premium, if any, and interest on the 2020B Subordinate Bonds, in the following order of priority:

FIRST: to the payment of interest due in connection with the 2020B Subordinate Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: to the extent any moneys are remaining in the Subordinate Bond Fund after the payment of such interest, to the payment of the principal of the 2020B Subordinate Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Subordinate Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the Subordinate Indenture) are insufficient for the payment of the principal of, and premium, if any, and interest due on the 2020B Subordinate Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST: the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond; and

SECOND: the Trustee shall apply any remaining amounts to the payment of the principal and premium, if any, then due on as many Bonds as can be paid with such remaining amounts, such principal payments to be in increments of $1,000 or any integral multiple thereof. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the 2020B Subordinate Bonds the principal of which is due and owing on the due date.

Subordinate Bond Fund; Mandatory Redemption. On each November 15, the Trustee shall determine the amount credited to the Subordinate Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the 2020B Subordinate Bonds due on the next succeeding interest payment date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Trustee shall promptly give notice of redemption and take such other actions as necessary to redeem as many Bonds as can be redeemed with such excess moneys. Such redemptions shall be made by the Trustee on December 15 of such year, and amounts insufficient to redeem at least one Bond in the denomination of $1,000 will be retained in the Subordinate Bond Fund. The mandatory redemption provided in this paragraph will be made by the Trustee without further instruction from the District and notwithstanding any instructions from the District to the contrary. Notwithstanding anything in the

Subordinate Indenture to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the 2020B Subordinate Bonds pursuant to this paragraph.

Additional Covenants and Agreements of the District. The District irrevocably covenants in the Subordinate Indenture and agrees with each and every Owner that so long as any of the Series 2020B Subordinate Bonds remain Outstanding:

The District shall not dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the 2020B Subordinate Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided however, that the foregoing shall not prevent the District from dissolving pursuant to the provisions of the Act.

At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of the calendar year after the calendar year which is the subject of such audit. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

The District will carry general liability, public officials' liability, and such other forms of insurance coverage on insurable District property upon the terms and conditions, in such amounts, and issued by recognized insurance companies, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations.

Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

The District will enforce the collection of the Facilities Fees and any other Capital Fees. The District will not, without the prior consent of 100% of the Owners of the Series 2020A Senior Bonds then Outstanding and 100% of the Owners of the 2020B Subordinate Bonds, amend or consent to the amendment of the Facilities Fee Resolution or any other resolution pursuant to which Capital Fees are imposed if such amendment would result in a reduction of the rate or amount of the Facilities Fees or other Capital Fees, delay the payment or receipt thereof, or otherwise materially adversely affect the Senior Pledged Revenue.

The District will not amend or supplement any of the documents pertaining to the Senior Bonds in any way which (i) alters the amortization of the principal of such Senior Bonds, (ii) increases the rate or rates of interest borne by the Senior Bonds, or (iii) alters the provisions pertaining to the release of the Series 2020A Senior Bond Surplus Fund as provided in the Series 2020A Senior Bond Indenture, except upon the prior written consent of the Consent Parties with respect to 100% in aggregate principal amount of the 2020B Subordinate Bonds.

The District will not use moneys in the Series 2020A Senior Bond Surplus Fund in connection with any refunding or defeasance of all or any part of the Series 2020A Senior Bonds (or, if secured thereby, any Permitted Refunding Bonds) except upon the prior written consent of the Consent Parties with respect to

100% in aggregate principal amount of the 2020B Subordinate Bonds. The foregoing shall not be construed to apply to or affect the use of such moneys to secure the Series 2020A Senior Bonds (or, if secured thereby, any Permitted Refunding Bonds) in the manner set forth in the Series 2020A Senior Bond Indenture.

Additional Bonds. After issuance of the Series 2020B Subordinate Bonds, the Subordinate Indenture provides that no Additional Bonds (as defined in APPENDIX B hereto) may be issued by the District except pursuant to the provisions of the Subordinate Indenture described below. Nothing in the Subordinate Indenture is to affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds thereunder.

Series 2020A Senior Bonds. The Subordinate Indenture provides that the District may issue the Series 2020A Senior Bonds in accordance with the Senior Indenture without compliance with any of the other terms and conditions of the Subordinate Indenture applicable to the issuance of Additional Bonds as described under this caption.

Permitted Refunding Bonds. The Subordinate Indenture provides that the District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion. See APPENDIX B for a definition of "Permitted Refunding Bonds" within the meaning of the Subordinate Indenture.

Second Subordinate Bonds. The District may issue Second Subordinate Bonds if, as of the date of issuance of such Second Subordinate Bonds, the Second Subordinate Bonds are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the final principal or interest payment date due in that calendar year on the 2020B Subordinate Bonds and after the final principal or interest payment date due in that calendar year on the Series 2020A Senior Bonds.

Issuance by Consent. Except as provided in the Subordinate Indenture described above under this caption "*—Additional Bonds*," the District may issue Additional Bonds only if the Consent Parties with respect to 100% in aggregate principal amount of the 2020B Subordinate Bonds then Outstanding consent to the issuance of such Additional Bonds.

Events of Default. The Subordinate Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions is to constitute an Event of Default under the Subordinate Indenture (whatever the reason for such event or condition and whether it is voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there is to be no default or Event of Default thereunder except as provided in the Subordinate Indenture:

(a) The District fails or refuses to impose the Subordinate Required Mill Levy or collect the Capital Fees;

(b) The District fails to apply the Subordinate Pledged Revenue as required by the Subordinate Indenture;

(c) The District defaults in the performance or observance of any of the other covenants, agreements or conditions on the part of the District in the Subordinate Indenture or the Bond Resolution, other than as described in (a) and (b) hereof, and fails to remedy the same after notice thereof as described in the Subordinate Indenture; or

(d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the 2020B Subordinate Bonds.

The parties hereto acknowledge that due to the limited nature of the Subordinate Pledged Revenue, the failure to pay the principal of or the premium, if any, or interest on the 2020B Subordinate Bonds when due shall not, of itself, constitute an Event of Default hereunder.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE SUBORDINATE INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES THAT APPLICATION OF ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS REQUIRED BY THE SUBORDINATE INDENTURE CONSTITUTES AN EVENT OF DEFAULT UNDER THE SUBORDINATE INDENTURE, AND IN NO EVENT SHALL THE DISTRICT BE PERMITTED TO WITHHOLD ANY PORTION OF SUBORDINATE PLEDGED REVENUE OR APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE AS REQUIRED BY THE SUBORDINATE INDENTURE.

IN ADDITION, IT IS ACKNOWLEDGED THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SUBORDINATE REQUIRED MILL LEVY PURSUANT TO THE TERMS OF THE SUBORDINATE INDENTURE FOR PAYMENT OF THE BONDS AFTER DECEMBER 2059 (FOR COLLECTION IN CALENDAR YEAR 2060).

The Trustee is to give to the Owners of all Series 2020B Subordinate Bonds notice by mailing to the address shown on the registration books maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to the Subordinate Indenture), within ninety (90) days after the occurrence of such Event of Default unless such Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default under paragraph (b) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is to be given by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Series 2020B Subordinate Bonds Outstanding to the District, and the District is to have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Subordinate Indenture provides that the Trustee is to have the following rights and remedies which may be pursued:

(a) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate under the Subordinate Indenture, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Subordinate Indenture to, the Trustee.

(b) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Series 2020B Subordinate Bonds, the Bond Resolution, the Subordinate Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

(c) *Mandamus or Other Suit*. The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Subordinate Indenture or any rights, powers, or remedies of the Trustee thereunder, or any lien, rights, powers, and remedies of the Owners of the Series 2020B Subordinate Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

If any Event of Default under paragraph (a) in "*—Events of Default*" above is to have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2020B Subordinate Bonds then Outstanding, the Trustee is to be obligated to exercise such one or more of the rights and powers conferred by the Subordinate Indenture as the Trustee, being advised by Counsel, is to deem most expedient in the interests of the Owners; provided that the Trustee at its option is to be indemnified as in the Subordinate Indenture.

Acceleration of the Series 2020B Subordinate Bonds is not an available remedy for an Event of Default.

The Owners of a majority in aggregate principal amount of the Series 2020B Subordinate Bonds then Outstanding are to have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Subordinate Indenture, or for the appointment of a receiver, and any other proceedings thereunder; provided that such direction is not to be otherwise than in accordance with the provisions thereof; and provided further that at its option the Trustee is to be indemnified as provided in the Subordinate Indenture.

No Owner of any Series 2020B Subordinate Bond is to have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Subordinate Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Subordinate Indenture, or of which under the Subordinate Indenture it is deemed to have notice, and unless such default is to have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2020B Subordinate Bonds then Outstanding are to have made written request to the Trustee and are to have offered reasonable opportunity either to proceed to exercise the powers granted in the Subordinate Indenture or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in the Subordinate Indenture, nor unless the Trustee is to thereafter fail or refuse to exercise the powers granted in the Subordinate Indenture, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Subordinate Indenture, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more Owners of Series 2020B Subordinate Bonds are to have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Subordinate Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity are to be instituted, had, and maintained in the manner therein provided and for the equal benefit of the Owners of all Series 2020B Subordinate Bonds then Outstanding.

The Trustee may in its discretion waive any Event of Default thereunder and its consequences, and is to do so upon the written request of the Consent Parties with respect to not less than a majority in aggregate principal amount of all the Series 2020B Subordinate Bonds then Outstanding; provided, however, that there is not to be waived without the consent of the Consent Parties with respect to one hundred percent (100%) of the Series 2020B Subordinate Bonds then Outstanding as to which the Event of Default exists any Event of Default described in paragraph (a) in "—*Events of Default*" above. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default is to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners are to be restored to their former positions and rights thereunder respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Subordinate Indentures Not Requiring Consent. Subject to the provisions of the Subordinate Indenture, the District and the Trustee may, *without* the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental to the Subordinate Indenture which supplemental indentures are to thereafter form a part thereof, for any one or more of the following purposes.

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Subordinate Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Subordinate Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Series 2020B Subordinate Bonds.

(b) To subject to the Subordinate Indenture additional revenues, properties, or collateral.

(c) To grant or confer upon the Trustee for the benefit of the Owners of the Series 2020B Subordinate Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee.

(d) To qualify the Subordinate Indenture under the Trust Indenture Act of 1939.

Supplemental Subordinate Indentures Requiring Consent. Except for supplemental indentures delivered pursuant to the terms of the Subordinate Indenture as described in the preceding paragraph, and subject to the provisions of the Subordinate Indenture, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the 2020B Subordinate Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Outstanding Series 2020B Subordinate Bond, in the principal amount of any Outstanding Series 2020B Subordinate Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2020B Subordinate Bonds when due;

(c) a privilege or priority of any Series 2020B Subordinate Bond or any interest payment over any other Series 2020B Subordinate Bond or interest payment; or

(d) a reduction in the percentage in principal amount of the Outstanding Series 2020B Subordinate Bonds, the consent of whose Owners or Consent Parties is required for any such amendment or supplemental indenture.

Upon the execution of any supplemental indenture pursuant to the provisions of this section, the Subordinate Indenture will be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Subordinate Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding will thereafter be determined, exercised, and enforced under the Subordinate Indenture, subject in all respects to such modifications and amendments.

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

Series 2020A Senior Bonds. Proceeds from the sale of the Series 2020A Senior Bonds will be used for the purposes of: (i) paying or reimbursing Project Costs; (ii) paying the costs of issuance of the Bonds; (iii) funding the Senior Reserve Fund; and (iv) funding a portion of interest to accrue on the Series 2020A Senior Bonds.

Series 2020B Subordinate Bonds. Proceeds from the sale of the Series 2020B Subordinate Bonds will be used for the purpose of paying or reimbursing Project Costs.

Underwriting Discount. The underwriting discount allocable to each series of the Bonds will be paid from proceeds of each such series, respectively.

The Project. A portion of the proceeds of the Bonds will be used for the purpose of paying or reimbursing a portion of the costs incurred in the acquisition, construction, and installation of certain Public Improvements, the debt for which was approved at the Election.

Sources and Uses of Funds. The uses of the proceeds of the Bonds and funds available from other sources are as follows:

	Series 2020A Senior Bonds	**Series 2020B Subordinate Bonds**
Sources:		
Series 2020A Senior Bonds Par Amount	$5,810,000.00	--
Series 2020A Senior Bonds Original Issue Discount	(44,678.90)	--
Series 2020B Subordinate Bonds Par Amount	--	$865,000.00
Total	$5,765,321.10	$865,000.00
Uses:		
Deposit to Senior Project Fund	$4,018,584.04	--
Deposit to Subordinate Project Fund	--	$865,000.00
Deposit to Senior Reserve Fund	483,000.00	--
Deposit to Senior Bond Fund (capitalized interest)	870,693.06	--
Costs of issuance, including underwriting discount [1] and contingency	393,044.00	--
Total	$5,765,321.10	$865,000.00

[1] See "MISCELLANEOUS—Underwriting."
Source: The Underwriter

Debt Service Requirements

Set forth in the following table are the debt service requirements for the Series 2020A Senior Bonds and the estimated debt service on the Series 2020B Subordinate Bonds.

TABLE I
Debt Service Requirements

	Series 2020A Senior Bonds [1]		Series 2020B Subordinate Bonds [2]		Annual
Year	Principal	Interest	Principal	Interest	Total
2021	--	$ 289,693	--	--	$ 289,693
2022	--	290,500	--	--	290,500
2023	--	290,500	--	--	290,500
2024	--	290,500	--	--	290,500
2025	--	290,500	--	--	290,500
2026	$ 20,000	290,500	--	--	310,500
2027	70,000	289,500	--	--	359,500
2028	105,000	286,000	--	--	391,000
2029	110,000	280,750	--	$ 94,857	485,607
2030	120,000	275,250	--	123,439	518,689
2031	125,000	269,250	--	124,439	518,689
2032	140,000	263,000	--	126,202	529,202
2033	150,000	256,000	--	123,202	529,202
2034	165,000	248,500	--	126,426	539,926
2035	170,000	240,250	--	129,676	539,926
2036	190,000	231,750	--	129,116	550,866
2037	200,000	222,250	--	128,616	550,866
2038	220,000	212,250	--	129,772	562,022
2039	230,000	201,250	--	130,772	562,022
2040	250,000	189,750	--	133,653	573,403
2041	260,000	177,250	--	136,153	573,403
2042	285,000	164,250	--	135,760	585,010
2043	300,000	150,000	--	135,010	585,010
2044	320,000	135,000	--	141,851	596,851
2045	335,000	119,000	--	142,851	596,851
2046	365,000	102,250	--	141,677	608,927
2047	380,000	84,000	--	144,927	608,927
2048	410,000	65,000	--	146,246	621,246
2049	430,000	44,500	--	146,746	621,246
2050	460,000	23,000	865,000	200,751	1,548,751
Total	$5,810,000	$6,272,193	$865,000	$2,972,142	$15,919,335

[1] Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity. Figures have been rounded and may differ from actual debt service payments.
[2] Principal and interest on the Series 2020B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue. There are no scheduled principal payments on the Series 2020B Subordinate Bonds until final maturity. The amounts set forth herein reflect the projected payments on the Series 2020B Subordinate Bonds as set forth in the Financial Forecast, based upon the assumptions more particularly set forth therein. No assurance is given that the level of Subordinate Pledged Revenue projected in the Financial Forecast will be achieved, or that payment of the principal of or interest on the Series 2020B Subordinate Bonds will be paid as set forth in this table. Failure to pay the amounts set forth above with respect to the Series 2020B Subordinate Bonds will not, of itself, constitute an event of default under the Subordinate Indenture. Figures have been rounded. See "THE SERIES 2020B SUBORDINATE BONDS—"Cash-Flow" Nature of Series 2020B Subordinate Bonds," the Financial Forecast attached as APPENDIX A hereto, and the Market Study attached as APPENDIX C hereto.
Source: The Underwriter

THE DISTRICT

Organization and History

The Districts were organized as part of a common plan to provide, in accordance with the Service Plan, certain Public Improvements, Regional Improvements and Public Benefits serving the needs of an approximately 55.3-acre community to be known as Northfield. The organization of the District was approved by eligible electors of the District voting at the Election. Following the Election and approval of the Service Plan, the District was formally created pursuant to the Organizational Order. At organization, the District encompassed approximately 43.074 acres.

The District operates in accordance with the authority of the Special District Act, subject to the limitations of the Service Plan. The District intends to provide certain essential public-purpose facilities for the use and benefit of its property owners, inhabitants, taxpayers and the general public, all in accordance with the laws of the State. The District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements within and without the boundaries of the District, subject to the limitations of the Service Plan.

The District is entitled to separately contract for the provision of the Public Improvements. The District and the Developer entered into certain agreements pursuant to which the Developer is to make advances to the District for the purpose of funding costs of Public Improvements and ongoing operations and maintenance expenses, to the extent the District has insufficient revenue for payment thereof. The District is obligated to reimburse the Developer for such advances, subject to the limitations set forth therein. See "—Material Agreements of the District" below.

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act. The powers of the District are, however, limited both by the provisions of its Service Plan and its electoral authorization. See "—Service Plan Limitations" below.

Except as specifically limited by the District's Service Plan, the District generally has the power to have a perpetual existence; to have and use a corporate seal; to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business and affairs of the District and all construction, installation, operation, and maintenance of improvements; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District; to furnish services and facilities within and without the boundaries of the District and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the District and to accept gifts and conveyances made to the District; to adopt, amend and enforce bylaws and rules and regulations not in conflict with the Constitution of the State for carrying on the business, objects, and affairs of the Board; to enter into contracts with public utilities, cooperative electric associations, and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices on streets and highways; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the District. The District also has the power, subject to constitutional and statutory limitations and the provisions of its Service Plan, to certify a levy for the collection of ad valorem taxes against all taxable property of the District. See "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes."

Inclusions and Exclusions. Subject to compliance with statutory procedures and the Service Plan, the Board may order the inclusion or exclusion of real property to or from the District, as the case may be, thereby modifying the boundaries of the District. Such included or excluded property remains obligated to the same extent as all other property within the District for the payment of then-outstanding District indebtedness and subsequent refundings thereof. Boundary changes resulting from property included to or excluded from the District prior to the first day of May of each year are reflected in the District's assessed valuation and are reflected in the ad valorem property tax levy of the District for that assessment year. With certain exceptions (including property exempt from ad valorem property taxation), inclusions or exclusions that occur after May 1 are considered in the following assessment year. The District has no pending inclusions or exclusions.

Multiple District Structure

As anticipated by the Service Plan, the Districts, collectively, will undertake the financing and construction of the Public Improvements set forth in the Service Plan. It is generally anticipated that the Districts will undertake the financing and construction of Public Improvements in sequential order as development phases are completed, subject to adjustments based on the manner in which development actually proceeds, and that the Districts will share certain Public Improvement costs. Pursuant to a District Coordinating Services Agreement entered into between District No. 1 and the District, District No. 1 is intended to serve as the "coordinating district" while the District is intended to serve as a "financing district." The Coordinating Services Agreement governs the manner in which Administrative Services and O&M Services are provided between the District and District No. 1. The District and District No. 1 are also parties to an Acquisitions Agreement which governs obligations among the District and District No. 1 relating to the acquisition the Public Improvements and reimbursement of District Eligible Costs associated therewith. In general, District No. 1 is expected to be responsible for acquiring, operating and managing the Public Improvements planned for the District, while the District will be responsible for providing the funding and tax base needed to support the financing of the Public Improvements. See "—Material Agreements of the District—*Coordinating Services Agreement*" and "—*Public Improvements Acquisition and Reimbursement Agreement*" below.

Service Plan Limitations

Under the Service Plan, it is anticipated that the Districts will dedicate any completed Public Improvements to the City, or other appropriate jurisdiction, or owners' association in a manner consistent with the Approved Development Plan and the City Code. The District is, authorized under the Service Plan to provide ongoing operations and maintenance services with respect to any Public Improvements not so dedicated; however, the Service Plan specifically prohibits the District from providing fire protection facilities and services or policing or other security services which are expected to be provided by Poudre Fire Authority and the City, respectively. See "THE DEVELOPMENT."

Maximum Debt Authorization. The Service Plan defines "Debt" as bonds, notes or other multiple fiscal year financial obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy, fees or other legally available revenue. Debt does not include contracts through which a District procures or provides services or tangible property. The Maximum Debt Authorization, as set forth in the Service Plan, is $16,000,000. The Districts collectively will not issue Debt in excess of the Maximum Debt Authorization. Bonds which have been refunded do not count against the Maximum Debt Authorization.

In addition to the limitations of the Service Plan, the District may only issue indebtedness in accordance with the voted authorization obtained pursuant to the Election. According to the District, after issuance of the Bonds, the Bonds will constitute the District's only outstanding indebtedness.

Maximum Debt Mill Levy; Operating Mill Levy; Aggregate Mill Levy. The Service Plan imposes a limit on the mill levy that can be imposed by a District on taxable property within the District for the payment of Debt (the "Debt Mill Levy"), and for the payment of administration, operations and maintenance including, without limitation, repair and replacement of Public Improvements (the "Operating Mill Levy, " together with the Debt Mill Levy, the "Aggregate Mill Levy"). The District may impose an Operating Mill Levy of up to 50 mills until the District imposes a Debt Mill Levy. Once a District imposes a Debt Mill Levy of any amount, the Operating Mill Levy cannot exceed 10 mills at any point. The Aggregate Mill Levy cannot exceed in any year 50 mills (the "Aggregate Mill Levy Maximum"), subject to the Gallagher Adjustment defined hereafter. A District's Aggregate Mill Levy does not include any Regional Mill Levy of up to 5 mills, subject to the Gallagher Adjustment defined hereafter, that the District may be required to levy.

In the event the method of calculating assessed valuation for the taxable property changes after January 1, 2019, or any constitutionally mandated tax credit, cut or abatement takes effect after January 1, 2019, the District's Aggregate Mill Levy, Debt Mill Levy, Operating Mill Levy, and Aggregate Mill Levy Maximum, amounts may be increased or decreased to reflect such changes; such increases or decreases will be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by such mill levies, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2019 (the "Gallagher Adjustment"). For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation. The number of mills which equal the Maximum Debt Mill Levy is intended to adjust from time to time upon the occurrence of the changes described above.

For more detailed descriptions of the debt service mill levies required to be imposed by the District for payment of the Bonds, see "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds —*Senior Required Mill Levy*" and "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds—*Subordinate Required Mill Levy*."

Maximum Debt Mill Levy Imposition Term. As set forth in the Service Plan, the maximum mill levy imposition term the District is permitted to impose a Debt Mill Levy on property developed in the Service Area for residential use, which includes residential properties in mixed-use developments, will not exceed 40 years from December 31, 2019 (the year the Service Plan was approved)(the "Maximum Debt Mill Levy Imposition Term").

Regional Mill Levy. If required by the City, the Service Plan authorizes the District to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of any regional public improvement identified by the City for funding, in whole or part (the "Regional Improvements") by the imposition of a mill levy at a rate not to exceed 5 mills, subject to the Gallagher Adjustment (the "Regional Mill Levy"). The Regional Mill Levy is not subject to the Maximum Aggregate Mill Levy. The revenue received from the Regional Mill Levy will be remitted to the City and may be applied to the costs of the Regional Improvements.

The imposition of the Regional Mill Levy will not exceed a term of 25 years from December 31 of the tax collection year after which the Regional Mill Levy is first imposed. The City's authority to require a District to initiate the imposition of a Regional Mill Levy expires 15 years after December 31st of the year in which said District first imposes a Debt Mill Levy.

Public Benefits Requirement. It is also intended under the Service Plan that no District is authorized to issue any Debt, impose a Debt Mill Levy, or impose any Fees for payment on Debt unless and until the delivery of the applicable Public Benefits has been secured in accordance with the Service Plan. See "THE DEVELOPMENT—Public Benefits."

Modification of Service Plan. The limitations of the Service Plan may be modified or amended only with the approval of the City and as otherwise provided in the Special District Act. See "DEBT STRUCTURE—General Obligation Debt—*Election*" and "—*Maximum Debt Authorization*."

Governing Board

The District is governed by a five-member Board. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. However, pursuant to State law, special districts, including the District, are required to move their biennial elections from even years to odd years beginning in 2023. Accordingly, the terms commencing in 2020 and 2022 will be three-year terms and then will reset to four-year terms commencing in 2023 and 2025, respectively. Vacancies on the Board may be filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to statute, with certain exceptions, no non-judicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the Election, the eligible voters in the District voted to waive the statutory term limits, and therefore the District's directors are not subject to such limitations.

The District holds regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Board when a quorum is present. Directors may receive a maximum compensation of $2,400 per year, not to exceed $100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the District as employees of the District. Members of the Board currently do not receive compensation for Board meeting attendance. The initial Board members, their positions on the Board, principal occupations and terms are as set forth below.

Board of Directors

Name	Office	Principal Occupation	Term Expires (May)
Jason W. Sherrill	President	CEO, Landmark Homes	2023
Jonathan Mosier	Vice President	President, Landmark Homes	2023
Rahul S. Majumdar	Secretary/Treasurer	CFO, Landmark Homes	2022
Deborah Mosier	Assistant Secretary	Homemaker	2022
Tamara P. Sherrill	Assistant Secretary	Real Estate	2022

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, all of the Board members have potential or existing financial, personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof because each Board member is either an owner or employee of the Project Manager or a spouse of an owner or employee of the Project Manager. It is anticipated that a portion of the net proceeds of the Bonds will be used to partially reimburse the Project Manager for amounts previously advanced to, or expended on behalf of, the District by the Project Manager and/or an affiliate thereof. See "RISK FACTORS—Directors' Private Interests."

Administration

The Board is responsible for the overall management and administration of the affairs of the District. The District has no employees. District Resource LLC, Fort Collins, Colorado, serves as the District Manager and Accountant and White Bear Ankele Tanaka & Waldron, Centennial, Colorado, serves as its General Counsel.

Material Agreements of the District

The District is authorized to cooperate or contract with other entities, including other governmental entities, to provide any function, service or facility lawfully authorized to each, including among others, the sharing of costs, so long as such cooperation or contract is authorized by the body having the power to so approve. Except for the agreements described below, the District's General Counsel is not aware of any other agreements that materially affect the District's financial status or operations.

City IGA. The Districts and the City entered into an Intergovernmental Agreement dated as of May 14, 2020 (the "City IGA") which, among other things, restates provisions of the Service Plan regarding the limitations on the District's exercise of powers. The City IGA generally functions as a contractual obligation of the District to abide by the limitations imposed on it by the City in the Service Plan.

Coordinating Services Agreement. On October 26, 2020, the District and District No. 1 entered into a Coordinating Services Agreement for the purpose of establishing the respective obligations of each District with respect to the coordination, oversight and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts which serve, and are for the benefit of, the Districts and the residents and taxpayers thereof (the "Coordinating Services Agreement").

As more specifically set forth in the Coordinating Services Agreement, the District (as a "financing district"), agrees to: (i) be responsible for its respective share of any and all costs, fees, charges and expenses incurred by the Coordinating District (collectively, the "Service Costs") in providing administrative services (the "Administrative Services") and operation and maintenance services (the "O&M Services," and together with the Administrative Services, the "Services"). District No. 1 (as the "Coordinating District"), agrees to: (i) perform the Administrative Services for and on behalf of the District; (ii) own, operate and maintain all Public Improvements within Northfield that are not otherwise dedicated or conveyed to the City, the County or other public entity, or to an owners' association within the boundaries of the Districts, in accordance with the Service Plan and any approved development plans for the Development; and (iii) prepare and submit to the District a preliminary budget, for review, revision or approval, for the following fiscal year showing the Services to be provided and the proposed Service Costs anticipated to be incurred by the Coordinating District with respect to the Services, as more specifically set forth therein.

Unless otherwise agreed upon, on or before the 15th day of each month, the District is to deposit with the Coordinating District an amount equal to 1/12th of the annual Service Costs due from the District as determined by the final budget. Notwithstanding the foregoing, it is acknowledged that the District may fund the Service Costs via the imposition of an ad valorem mill levy, and in such case, may not have funds available during the first quarter of each fiscal year to make the payments. In such event, the Coordinating District agrees to defer collection of such amounts until such time as the District has collected such funds.

To the extent possible, the Service Costs are to be paid by the imposition by the District of an ad valorem mill levy against the taxable property within its boundaries. However, nothing in the Coordinating

Services Agreement is to be construed as a limitation on the powers granted to the District by State law to use alternative sources of revenue to pay the Coordinating District for the Service Costs.

Services to be Provided. The O&M Services for which the Coordinating District is responsible include: (i) the operation and maintenance of any Public Improvements not otherwise dedicated or conveyed to any other governmental entity for the benefit of the Districts; (ii) the maintenance of common areas, parks, entry monuments, landscaping, open space tracts, recreational facilities and other community amenities; and (iii) the provision of trash service, architectural review and covenant enforcement services (as applicable). The Administrative Services for which the Coordinating District is responsible for, among others, include: (i) the coordination of Board meetings; (ii) financial operations, including budgeting and audit assistance; and (iii) various other administrative tasks as more specifically set forth in the Coordinating Services Agreement.

Fees and Charges. The Districts are expected to incur certain direct and indirect costs associated with the provision of the O&M Services. The Coordinating District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the Coordinating District which, until paid, constitute a perpetual lien on and against the property served. The Districts agree that, after requesting and considering input from the District, the Coordinating District may from time to time establish a fair and equitable fee to provide a source of funding to pay for the O&M Services (the "O&M User Fees"), which O&M User Fees are to be reasonably related to the overall cost of providing the O&M Services, and be imposed on those residing within the District (the "Users"). The Districts will make determinations as to the appropriate O&M User Fees, taking into account mill levy revenues to be received from the District in each fiscal year. The District agrees to cooperate with the Coordinating District in the collection of all O&M User Fees due and owing, including but not necessarily limited to foreclosure as against the statutory perpetual lien associated with such User Fees. See "DISTRICT FINANCIAL INFORMATION—Operation and Maintenance Mill Levy."

Rules and Regulations. The Coordinating District may, after requesting and considering input from the District, enact, from time to time, rules and regulations with respect to the Public Improvements and Services. Such rules and regulations, and amendments thereto, adopted and placed in force by the Coordinating District from time to time are fully enforceable within the Districts and against all Users.

General. The obligations under the Coordinating Services Agreement are subject to annual appropriation by the District, and do not constitute a multiple fiscal year financial obligation of the District within the meaning of the State Constitution.

Public Improvements Acquisition and Reimbursement Agreement. The Project Manager has incurred or intends to incur costs related to the financing, construction and installation of Public Improvements that may be funded by the District, including, without limitation: (a) the costs of labor and materials, furnishings and equipment; (b) the costs of insurance premiums, indemnity and fidelity bonds or the municipal or governmental charges lawfully levied or assessed; (c) the costs of surveys, appraisals, plans, designs, specifications, and estimates; (d) the costs, fees, and expenses of engineers, architects, construction management, financial consultants, accountants, legal advisors, or other agents or employees; (e) the costs of demolition, removal and relocation; (f) the costs of organizing the District; and (g) all other lawful costs as determined by the Board (the "District Eligible Costs"). District No. 1 and the Project Manager entered into a Public Improvements Acquisition and Reimbursement Agreement (the "Acquisition Agreement") dated as of March 25, 2020 to establish the terms and conditions for the acquisition of reimbursement for the Public Improvements financed and constructed or caused to be constructed by the Project Manager that are to be owned by District No. 1 or dedicated to another appropriate governmental entity, such as the City of Fort Collins, and the reimbursement of related Certified Direct Eligible Costs (defined below) incurred by the Developer. In part to add the District as a party to the Acquisition

Agreement, the District, District No. 1 and the Project Manager have entered into an Addendum to Acquisition Agreement to further clarify the roles of District No. 1 (as the Coordinating District), the District (as Financing District) and the Project Manager pursuant to the terms of such Acquisition Agreement. The Acquisition Agreement provides that (i) the District will be responsible for its respective share of any District Eligible Costs incurred by District No. 1 on behalf of and for the benefit of the District, and (ii) that District No. 1 will acquire the Public Improvements from the Project Manager pursuant to the terms of the Acquisition Agreement, and that the District will be responsible for reimbursing the Project Manager for certain Public Improvements pursuant to said Acquisition Agreement.

Requirements for Acquisition of Public Improvements by District No. 1. District No. 1 will acquire all or a portion of the Public Improvements which are intended to be conveyed to District No. 1 for ownership, operation and maintenance after receipt, review and approval by District No. 1 of the following: (a) a complete set of certified digital record drawings of the Public Infrastructure, in form and content reasonably acceptable to District No. 1; (b) evidence (if available) that underground facilities are electronically locatable; (c) test results for improvements conforming to industry standards (if applicable); (d) pressure test results for irrigation (if applicable); (e) assignment of warranties or guaranties (if applicable); (f) operation and maintenance manuals; (g) the execution of an Indemnification Agreement indemnifying District No. 1 for any materialman's liens from suppliers and subcontractors, or lien waivers from each subcontractor verifying that all amounts due for such Public Improvements have been paid in full; (h) an executed Bill of Sale conveying the Public Improvements to District No. 1; (i) a Special Warranty Deed conveying the real property to District No. 1 (if necessary); and (j) a warranty agreement ("Warranty Agreement") whereby the Project Manager commits to repair, replace or fund the repair or replacement of any defective portion of such Public Improvements during a period of two years from the date of District Pubic Improvements Acquisition (defined below).

Process for Public Improvements Acquisition by District No. 1. Upon the substantial completion of the Public Improvement or a component thereof which is to be conveyed to District No. 1 for ownership, operation and maintenance, the Project Manager will obtain a District Public Improvements Acquisition (defined below) according to the following procedures: (a) the Project Manager will give written notice to District No. 1 requesting an inspection of the completed Public Improvements (the "Inspection Notice") concurrently providing construction plans and any applicable construction standards; (b) District No. 1's Colorado licensed civil engineer (the "Engineer"), having public improvement construction experience will, with the Project Manager, jointly inspect the Public Improvements within 21 days (unless the Project Manager and District No. 1 mutually agree to extend the deadline) of the Inspection Notice (the "Inspection"); (c) if the Engineer finds after Inspection that the Public Improvements are built to specification and are fit for its intended purpose, within 12 days after such Inspection, the Engineer will provide certification of the same (the "Engineer Certification"); (d) if any defective work is identified, the Engineer will prepare a punch list of items requiring remedial action, to be completed by the Project Manager within 60 days of issuance the Engineer Certification and in accordance with the Warranty Agreement; (e) not later than 30 days following the receipt of the Engineer Certificate, unless an extension is mutually agreed upon, District No. 1 will by adoption of a resolution, acquire the Public Improvements and deliver to the Project Manager written notice of same (the "District No. 1 Public Improvements Acquisition").

Reimbursement for District No. 1 Eligible Costs. Pursuant to the terms of Acquisition Agreement, the Project Manager may be reimbursed for the following District No. 1 Eligible Costs: (i) Public Improvements intended to be conveyed to District No. 1 for ownership, operation and maintenance, only after the issuance of a District No. 1 Public Improvements Acquisition; (ii) Public Improvements which are intended to be conveyed to another governmental entity with final, preliminary or conditional acceptance by the applicable governmental entity; (iii) Public Improvements which are intended to be conveyed to another governmental entity without final, preliminary or conditional acceptance by such governmental

entity upon submission of a copy of the Project Manager's agreement (or equivalent agreement) with the applicable governmental entity requiring the completion and final acceptance of such Public Improvements and the means by which such completion and final acceptance (including any corrective work or punch list items) are secured; and (iv) funds that the Project Manager has advanced to or on behalf of District No. 1 for District No. 1 Eligible Costs (the "Payment Advance") by providing copies of all invoices or statements and evidence of payment thereof equal to the proposed Payment Advance, and copies of the applicable contract, agreement, or document evidencing the Payment Advance. Simple interest will accrue at the prime interest rate specified by the Wall Street Journal, plus two points per annum on each Payment Advance from the date of deposit into District No. 1's account or from the date of direct payment by the Project Manager.

Requirements for Reimbursement of District No. 1 Eligible Costs; Acceptance Resolution. The Project Manager may be reimbursed for District No. 1 Eligible Costs after District No. 1 has reviewed: (a) a completed application for acceptance of District No. 1 Eligible Costs; (b) the Engineer's review of invoices and other material substantiating District No. 1 Eligible Costs, determining that such costs are reasonable and appropriate (the "Engineer's Cost Certification"); and (c) District No. 1's accountant's review of the Engineer's Cost Certification and related materials substantiating the total amount of District No. 1 Eligible Costs associated with the Public Improvements being proposed for acquisition or reimbursement (the "Accountant's Cost Certification"). Unless otherwise agreed to, no more than 45 days after receipt of a satisfactory application for acceptance of District No. 1 Eligible Costs, Engineer's Cost Certification and Accountant Cost Certification, District No. 1 will accept District No. 1 Eligible Costs by adopting a resolution of acceptance declaring satisfaction of the conditions to acceptance as set forth in this Agreement, subject to any variances or waivers which the District may allow in its sole and absolute discretion, and with any reasonable conditions the District may specify (the "Acceptance Resolution").

Payment of Certified District No. 1 Eligible Costs. No payment is to be issued for Certified District No. 1 Eligible Costs without the adoption of an Acceptance Resolution.

The District intends to issue bonds, loans or other obligations and will use the proceeds therefrom (the "Proceeds") to reimburse the Project Manager for the Certified District No. 1 Eligible Costs concurrently or soon after issuance of the bonds, but no later than December 31, 2021. If the District has not issued bonds sufficient to reimburse the Project Manager, the District will issue a promissory note or other privately placed debt instrument to the Project Manager (the "Reimbursement Obligation"). To the extent bonds are not issued, the District may make payments to the Project Manager from available funds after payment of the District's annual debt service, operations and maintenance and administrative expenses, subject to Service Plan limits, electoral authorizations or debt instrument restriction or condition.

With respect to any Certified District No. 1 Eligible Costs accepted in accordance with the Acquisition Agreement, excluding Payment Advances, such Certified District No. 1 Eligible Costs will bear simple interest at a rate of the prime interest rate specified by the Wall Street Journal, plus two points per annum from the effective date of the related Acceptance Resolution.

The Acquisition Agreement does not constitute a debt or indebtedness of District No. 1 or the District within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year financial obligation. Further, the provision for repayment of Certified District No. 1 Eligible Costs thereunder and the agreement of the District to issue a Reimbursement Obligation are at all times subject to annual appropriation by the District, in its sole and absolute discretion.

Termination of Reimbursement Obligation. Notwithstanding any provision in the Acquisition Agreement to the contrary, the District's obligation to reimburse the Project Manager for any and all District No. 1 Eligible Costs or Certified District No. 1 Eligible Costs will terminate automatically and be of no

further force or effect upon the occurrence of: (a) Project Manager's voluntary dissolution, liquidation and winding up; (b) administrative dissolution (or other legal process not initiated by the Project Manager, dissolving the Project Manager as a legal entity) that is not remedied or cured within 60 days or the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to the Project Manager (whether voluntary or involuntary). The termination of the District's reimbursement obligations described herein is absolute and binding upon the Project Manager and its successors and assigns.

Furthermore, the District's obligation under the Acquisition Agreement will terminate at the earlier of the repayment in full of the Certified District No. 1 Eligible Costs or on December 4, 2039.

As of November 1, 2020, no costs have been certified as due and owning by the District to the Project Manager under the Acquisition Agreement.

Funding and Reimbursement Agreement (Operations and Maintenance). The District has incurred and will incur costs in furtherance of the District's permitted purposes, including but not limited to, costs in the nature of general operating, administrative and maintenance costs, such as attorney, engineering, architectural, surveying, district management, accounting, auditing, insurance, and other costs necessary to continued good standing under applicable law (the "Costs"). The District does not presently have financial resources to fund the Costs; therefore, to ensure the continued provision of services and facilities by the District, the Project Manager has agreed to loan funds to the District from time to time, on the condition that the District agrees to repay such loans. On March 25, 2020, District No. 1 and the Project Manager entered into a Funding and Reimbursement Agreement (Operation and Maintenance) (the "Operations Funding Agreement") with the Project Manager, to address the reimbursement of Costs advanced by the Developer.

As set forth in the Operations Funding Agreement, the Project Manager has agreed to loan to the District funds not to exceed the aggregate $50,000 per annum for two years, up to $100,000 (as the same may be subsequently increased by agreement of the District and the Developer subject to an execution of a supplement or addendum to the Operations Funding Agreement) (the "Maximum Loan Amount"). These funds will be loaned to the District in one or a series of installments ("Loan Advances") and will be available to the District through December 31, 2021 (as the same may be amended pursuant to an annual review evidenced by supplement or amendment to the Operations Funding Agreement) (the "Advancing Obligation Termination Date"). Thereafter, the Project Manager may agree to renew its advancing obligations by providing written notice to the District, in which case the Advancing Obligation Termination Date will be amended to the date provided in such notice, which date will not be earlier than December 31 of the succeeding year.

The District is willing to execute one or more reimbursement notes, bonds, or other instruments (the "Reimbursement Obligations"), in an aggregate principal amount not to exceed the Maximum Loan Amount, to be issued to or at the direction of the Project Manager, upon its request, subject to the terms and conditions of the Operations Funding Agreement, to further evidence the District's obligation to repay the Loan Advances. The term for repayment of any Reimbursement Obligation will not extend beyond December 4, 2049 ("Maximum Reimbursement Obligation Repayment Term"). The issuance of any Reimbursement Obligation is subject to the availability of an exemption from the registration requirements of Section 11-59-106, C.R.S., and is subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with Section 11 59 110, C.R.S., and any regulations promulgated thereunder.

With respect to each Loan Advance made under the Operations Funding Agreement prior to the issuance of any Reimbursement Obligation reflecting such Loan Advance, the interest rate will be the prime

interest rate specified by the Wall Street Journal, plus two points per annum, from the day any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount. Upon issuance of any such Reimbursement Obligation, unless otherwise consented to by the Project Manager, any interest then accrued on any previous Loan Advance will be added to the amount of the Loan Advance and reflected as principal of the Reimbursement Obligation, and will then accrue interest as provided in the Reimbursement Obligation.

The District agrees to apply all Loan Advances received from the Project Manager solely to Costs of the District as set forth in an annually adopted budget (the "Budget"), and pursuant to any contracts entered into with third parties to perform functions for the District under the Budget. The District will annually budget as revenue the entire aggregate amount which may be borrowed under the Operations Funding Agreement to enable the District to appropriate revenues to pay Costs included within the Budget. The Project Manager is entitled to a quarterly accounting of the expenditures made by the District, upon request, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District. From time to time, but not more often than monthly, the District will determine pursuant to the procedure set forth in the Operations Funding Agreement, the amount of revenue required to fund budgeted expenditures by the District. Not less than 15 days before the beginning of each month, the District will then notify the Developer of the amount of the requested Loan Advance for the next month, and the Project Manager will deposit such amount on or before the beginning of that month. The schedule may vary if agreed upon by both the District and the Project Manager. The District will keep a record of all Loan Advances made. Failure to record Loan Advances does not affect inclusion of such amounts as reimbursable amounts; provided that such Loan Advances are substantiated by the District's accountant.

The District anticipates repaying Loan Advances, including any requested Reimbursement Obligations, with the proceeds of future bonds, ad valorem taxes, or other legally available revenues of the District net of any debt service or current operations and maintenance costs of the District. Any mill levy certified by the District for the purpose of repaying Loan Advances will not exceed 50 mills and is further subject to any restrictions provided in the District's Service Plan, electoral authorization, or any applicable laws.

The Project Manager's obligation to make Loan Advances to the District terminates on December 31, 2021 (subject to the extension terms as described above), except to the extent advance requests have been made to the Project Manager that are pending, in which case said pending request(s) will be honored notwithstanding the passage of the termination date. The District's obligations terminate at the earlier of the repayment in full of the Maximum Loan Amount (or such lesser amount advanced if it is determined by the District that no further advances are required) or December 4, 2049. After December 4, 2049, the District and Project Manager agree and acknowledge that any obligation created by the Operations Funding Agreement which remains due and outstanding, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and will be deemed a contribution to the District by the Project Manager, and there will be no further obligation of the District to pay or reimburse the Project Manager with respect to such amounts.

Furthermore, the District's obligations to reimburse the Project Manager for any and all funds advanced or otherwise payable to the Project Manager under and pursuant to the Operations Funding Agreement (whether the Project Manager has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) will terminate automatically and be of no further force or effect upon the occurrence of (a) the Project Manager's voluntary dissolution , liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by the Project Manager dissolving the Project Manager as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process; or (c)

the initiation of bankruptcy, receivership or similar process or actions with regard to the Project Manager (whether voluntary or involuntary).

It is the intent of the District to reimburse the Project Manager for Costs and interest thereon under the terms of the Operations Funding Agreement; however, the obligation of the District to reimburse the Developer for such Costs is subject to annual budget and appropriation and does not constitute a debt of the District within the meaning of any constitutional or statutory provision, nor will it constitute a multiple fiscal year financial obligation.

Reimbursement for Costs incurred by the Project Manager on behalf of the District prior to the execution of the Operations Funding Agreement ("Prior Costs") are to be made in accordance with, and subject to the terms and conditions of the Operations Funding Agreement, except that any Prior Costs reimbursed in accordance with the Operations Funding Agreement will not be included in the calculation of the Maximum Loan Amount. Interest on the Prior Costs began accruing as of March 25, 2020.

As of November 6, 2020, $198,860.68, including $198,860.68 in principal and $0.00 in interest, has been advanced by the Project Manager to the District. Subject to subsequent certification, this amount is estimated to be accepted by the District, inclusive of a reasonable interest calculation to be agreed upon at that time, and to become due and owing by the District to the Project Manager at a future date under the Operations Funding Agreement.

Services Available to Residents and Property Owners Within the District

Residents of the District are anticipated to be provided with a wide range of services by various entities other than the District. The District will receive police protection, electricity, water and sanitary sewer services from the City. Fire protection services and facilities will be provided by Poudre Fire Authority. Natural gas will be provided by Xcel Energy.

THE DEVELOPMENT

The following information has been supplied by the Developer and the Project Manager. Neither the District, the District's advisors, nor the Underwriter make any representation regarding projected development plans within the District, the financial soundness of the Developer, the Builders, or future builders, or their managerial ability to complete the Development as planned. The development of the property within the District may be affected by factors such as governmental policies with respect to land development, the availability of water and other utilities, the availability of energy, construction costs, interest rates, competition from other developments, and other political, legal, and economic conditions. Further, while certain information is provided herein with respect to existing and anticipated encumbrances of the property, in particular encumbrances recorded or to be recorded by the Developer and the Project Manager, property within the District not owned by the District or the Developer may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See "RISK FACTORS—Completion of Development Not Assured."

Overview

Northfield. The Development is situated in the broader 55.263-acre mixed-use community located in the city of Fort Collins and Larimer County known as Northfield ("Northfield"). The predominantly residential community is generally bordered to the north by Conifer Street, to the south by the Alta Vista neighborhood and to the east by N. Lemay Avenue. The Lake Canal forms the northwest border of the property. Northfield is approximately 1.5 miles northwest of downtown Fort Collins, known as "Old Town", and 3.2 miles from Interstate 25 to the east, providing access to employment centers, recreational

opportunities, shopping, restaurants and healthcare. Colorado State University, UC Health Poudre Valley Hospital and various breweries, including New Belgium Brewing and Budweiser Brewery, can all be reached in fifteen (15) minutes.

As currently approved, Northfield is being developed with four-hundred forty-two (442) residential units, which includes two (2) apartments located above a mixed-use center with light retail on the first floor (~2,679 building square feet). The community is being constructed with attainable and affordable single-family attached housing options, including one-hundred-thirty nine (139) three-story Brownstone townhomes to be built by Dream Finders Homes (defined herein) and two-hundred-thirty six (236) Discovery condominiums and townhomes as well as stacked single-level flats to be built by Landmark Homes. (defined herein). Additional affordable housing units are expected to be built by Mercy Housing located south of E. Suniga Road, which serves as the main arterial road running east/west through the southern portion of the Northfield development. The homes in the townhome/condominium community will be constructed as energy efficient with resident access to clubhouse amenities, pedestrian conveniences and services and trails that are anticipated to extend into the City's urban core.

The Development. The Development encompasses approximately 43.07 acres of land just north of the E. Suniga Road bisect and forms a large portion of the Northfield master-planned community (the "Development"). The boundaries of the District and the Development are co-terminus and include the three-hundred-seventy-five (375) condominiums, townhomes and stacked single-level flats to be constructed by Dream Finders Homes and Landmark Homes (each defined herein). Also included in the boundaries of the Development is the mixed-use center offering light retail on the first floor (~2,679 building square feet) and two (2) apartments above. The affordable housing units to be built by Mercy Housing south of E. Suniga Road are not included in the boundaries of the District. *Only the portion of Northfield which is in the District and is defined herein in as the Development is subject to property taxes and fees which constitute the Senior Pledged Revenue and the Subordinate Pledged Revenue.*

As detailed further herein, DFC Northfield, LLC, a Florida limited liability company, ("Developer") owns all of the land within the Development and will be responsible for funding land development. The Developer has entered into a "Development and Management Agreement" with Northfield Land, LLC, a Colorado limited liability company, and DFH Mandarin, LLC, a Florida limited liability company ("DFH Mandarin") pursuant to which Northfield Land, LLC will serve as "Project Manager" of the Development and will be responsible for all planning and horizontal lot development, specifically as may be necessary to allow the subsequent construction of all three-hundred-seventy-five (375) condominiums, townhomes and stacked single-level flats to be constructed in the Development. As further discussed herein, the Project Manager also entered into a lot purchase and sale option agreement with the Developer and will be constructing homes under the name "Landmark Homes." Similarly, DFH Mandarin, LLC, a wholly owned subsidiary of DF Holdings, has entered into a lot purchase and sale option agreement with the Developer and will be constructing homes under the name "Dream Finders Homes." Dream Finders Homes and Landmark Homes (together, "the Builders") are currently intended to be the sole homebuilders in the Development and will purchase finished lots from the Developer pursuant to separate lot purchase and sale option agreements described herein. Fill activities on-site have already begun. Development work on horizontal infrastructure is expected to commence in November 2020 and is planned to be complete in May 2021. Home construction is expected to commence shortly thereafter with the Development's first homes anticipated to be completed in the fourth quarter (4th) of 2021

Land Acquisition/Development Financing

The Developer acquired the acreage within Northfield, which includes the Development lands, on August 10, 2020 for a purchase price of $6,011,535 in cash. As further described herein, pursuant to the "Lot Purchase and Sale Option Agreement" dated August 10, 2020 with the Project Manager (the

"Landmark Lot Purchase Agreement"), the Developer will also fund costs expected to be incurred to complete certain public and private improvements in the Development. The Landmark Lot Purchase Agreement contemplates that the Developer will fund up to $14,886,601 of these development-related expenditures utilizing Developer equity and proceeds from lot sales. Proceeds of the Bonds are intended to fund the remaining balance of the public infrastructure costs (see sub-heading "Development Status"). As required by the Landmark Lot Purchase Agreement, should development-related expenditures exceed the budgeted amounts defined therein, the Project Manager will be required to pay such cost overruns.

To date, approximately $1.1 million of entitlement and development-related expenditures have been incurred. As indicated above, the Developer anticipates utilizing proceeds of the Bonds, equity and proceeds from lot sales to fund development-related expenditures.

Zoning/Entitlements/ Permits

All land within Northfield, including approximately 55.263 acres, is zoned in the City's Low-Density Mixed-Use Neighborhood District, generally permitting single-family and multi-family residential housing combined with supporting commercial and neighborhood land uses. The City's Land Use Code provides for a regulatory framework for all development constructed within the City. On April 13, 2020, the City approved the Northfield development pursuant to a site-specific development plan ("Development Plan"). The Development Plan establishes plan details, including, but not limited to, the layout of lots, roads, driveways, utilities, drainage facilities and other services within the development. In accordance with such development review process, the City also approved the final plat, as recorded with the County at Reception Number 20200029164 on April 28, 2020 ("Filing No. 1" or "Final Plat"). With final plan and plat approval, Northfield is fully platted and entitled for a maximum of 442 units, subject to certain development and public benefit conditions described herein. Provided below is the land use table as set forth in Filing No 1.

Track	Development/Land Use	Acres
Tract A-Z	Open Spaces, Internal Drives, Etc.	33.85
Tracts 1 thru 5	Internal Drives	3.63
Lots	Private Residence	5.18
Block 21, Lot 1	Mixed Use	0.45
Clubhouse	Clubhouse	0.42

Development Conditions

Development and Management Agreement. Northfield is being developed consistent with certain conditions and standards required for development approval in the development agreement entered into by the Developer and the City in October 2020 (the "Development and Management Agreement"). The Development and Management Agreement sets forth certain conditions related to the installation and construction of water, sanitary sewer, storm water drainage facilities and all street, curbs, gutters, sidewalks, bikeways and other public improvements required in the Northfield development and as depicted in the Development Plan. Construction and payment of such utilities and public improvements are subject to a three (3) year limitation from the date of approval of the Development Plan, requiring a re-submittal and additional approvals by the City if such deadline is not met. Certain of the conditions of the Development and Management Agreement are summarized below but are not meant to provide an exhaustive list of all of the conditions set forth in the agreement.

E. Suniga Road Improvement. The Developer is responsible for the design and construction of the E. Suniga Road as a four-lane major arterial roadway in the dedicated E. Suniga Road right-of-way between

Redwood Street and Lemay Avenue. The Developer is subject to reimbursement from the City for oversizing such street improvements along E. Suniga Road in accordance with City regulations therefor.

Sewer Line Improvements. The Developer is responsible for the design and construction of the upsizing of the existing sewer line from Vine Road, around Alta Vista, and along a portion of Lemay Avenue. The Developer is subject to reimbursement from the City for the oversized portion of such improvements in accordance with City regulations therefor.

Regional Trail Improvements. The Developer is responsible for the design and construction of the Regional Trail within Northfield and the off-site pedestrian connection for the northern portion up to the intersection at Lemay Avenue and Conifer Street.

In addition to the above conditions, the Developer is required to pay certain stormwater fees and payments in lieu of construction proportional to defined transportation impacts as well as meet certain phasing obligations as a consideration to the City's issuance of building permits and/or certificates of occupancy. The Developer is further obligated to provide an acceptable form of security (bond, letter of credit, etc.) payable to the City to guarantee completion of certain public improvements. According to the Developer, the Developer has secured a performance bond for such improvements and has applied for a development construction permit (the "Development Construction Permit") with the City to allow for construction work to begin in Northfield. It is expected such permit approval will be obtained in the ordinary course of business in November 2020.

Public Benefit Agreement. Pursuant the District's Service Plan, Northfield is further regulated by the applicable provisions of the Agreement to Secure Public Benefits for the Northfield Development entered by the Developer and the City effective June 2, 2020 (the "Public Benefit Agreement"). The Public Benefit Agreement was recorded with the County on October 20, 2020 at Reception No. 20200085794. The acceptance of the Public Benefit Agreement, further secured by the conditions of the Development and Management Agreement, satisfies all Service Plan requirements necessary to authorize the issuance of any Debt (within the meaning of the Service Plan) on District lands or the imposition of any Debt Mill Levy or Fees for the payment of debt.

The Public Benefit Agreement secures certain public benefits as summarized in the District's Service Plan. The public benefits and requirements thereof are defined in four (4) categories and compliance with such requirements is necessary for the issuance of building permits and/or certificates of occupancy. The public benefits include, but are not limited to, creating Required Affordable Units, incorporating environmental sustainability through energy and water conservation, and developing critical on-site and off-site public infrastructure and employing smart growth management. A summary of these public benefits are below.

Affordable and Attainable Housing. The Development Plan authorizes a total of four-hundred forty-two (442) units. Pursuant to the Public Benefits Agreement, at least sixty-five (65) of the 442 approved units must be developed as affordable for households earning eighty percent (80%) or less of the area median income for a family of four (4) for the Fort Collins/Loveland Metropolitan Statistical Area published annually by the U.S. Department of Housing and Urban Development ("AMI"), which may be units offered for sale or for-rent (the "Required Affordable Units"). However, the for-rent units must on average be affordable by households earning no more than sixty percent (60%) AMI. The Developer is currently negotiating a purchase and sale agreement ("Mercy Housing PSA") with Mercy Housing Mountain Plains ("Mercy Housing"), a Colorado non-profit corporation, for the purchase of lands in District No. 3 to be developed as affordable units. District No. 3 of the Northfield development is currently planned for a minimum of sixty-five (65) affordable housing units. Upon its execution and the City's subsequent review and acceptance, the Mercy Housing PSA is intended to satisfy the Public Benefit Agreement's

requirement for at least forty-three (43) of the Required Affordable Units being secured before the City is required to issue more than two-hundred twenty-one (221) of the total building permits in the Northfield development, with the balance of the total planned units authorized to receive building permits once all Required Affordable Units are secured. It is contemplated by the Developer that residential units not designated as Required Affordable Units, though not required, will be constructed as attainable housing units, appealing to households earning from eighty-one percent (81%) to one-hundred twenty (120%) AMI. Further, the Public Benefit Agreement covenants that the Affordable Housing Units must satisfy the affordable housing definition for a twenty-year (20) term from the date of issuance of the first certificate of occupancy.

Environmental Sustainability. All residential units in Northfield will achieve LEED Gold Certification, installation of a solar system or an alternative distributed energy system and installation of 240V electrical vehicle outlet in each garage before the City is required to issue a certificate of occupancy. The Developer is required to install an additional six (6) charging-enabled parking spaces within Northfield before the City is required to issue an excess of two-hundred twenty-one (221) building permits. In addition, heat recovery ventilator systems shall be installed in all homes, except for those designated as Required Affordable Units, before the City is required to issue a certificate of occupancy.

Critical Public Infrastructure. The Public Benefit Agreement defines the E. Suniga Road Improvement, Sewer Line Improvement and Regional Trail Improvements as detailed above in the sub-heading "Development and Management Agreement" as critical public infrastructure required by the Development and Management Agreement and to be provided by the Developer as a public benefit.

Smart Growth. Pursuant to its designated zoning district (Low-Density Mixed-Use Neighborhood District), Northfield is being constructed with smaller lot sizes, attached housing types (i.e. townhomes and condominiums) and a clubhouse and mixed-use building.

As of this time, the Development meets all requirements and conditions set forth in the Development and Management Agreement and the Public Benefit Agreement as and when required. The Developer has filed for a Development Construction Permit and expects to receive final approval in November 2020. It is expected that permits and approvals not previously obtained are expected to be obtained in the ordinary course of business.

Environmental Matters

In September 2017, the Project Manager commissioned an Ecological Characterization Study ("ECS") for all of the lands in Northfield from Cedar Creek Associates, Inc. ("Cedar Creek"). Evidence of environmentally recognized natural habitats and features, including identified wetlands associated with the Lake Canal along the western boundary of Northfield, have been identified. Pursuant to the Development Plan, the Project Manager commissioned Cedar Creek to prepare a Northfield Restoration Plan establishing a weed management plan as well as a natural habitat buffer zone monitoring plan. The Project Manager will abide with such plan and intends to construct connections over the Lake Canal with low impact box culverts to also abide by U.S. Army Corps of Engineers standards for historically protected wetlands. The Developer has satisfied all environmental conditions to date and does not expect any development interruptions thereof.

Utilities

Water and sewer for the Development will be provided by the City. Electric power will also be provided by the City. The Development is located within the franchise areas of Comcast or Fort Collins Connexion for telephone, cable and internet services.

Development Status

To date, approximately $1.1 million of entitlement and development-related expenditures have been incurred. The following table sets forth the anticipated construction schedule and cost estimates for infrastructure within the Development as provided by the Project Manager.

Type of Improvement	Estimated Cost	General Description	Start Date/Expected Date	Completion Date/Expected Date
Public Infrastructure	$12,847,688	General Sitework, erosion control, earthwork, sewer, water, storm, concrete, asphalt	November 2020	May 2021
Private Infrastructure	$6,320,423	Dry Utilities, soft costs, private earthwork and general sitework, landscape, clubhouse	November 2020	May 2021

As set forth in the Development Plan, and the attached utility plans therein, the Development will be constructed in multiple phases over time. The Developer, pursuant to its current permits, has begun to bring fill to the property and expects to commence construction activities in November 2020 upon receipt of its Development Construction Permit. Development work is anticipated to take an approximate six (6) to seven (7) months to complete. Work on E. Suniga Road, the spine road traversing the Development, will commence in the first quarter (1st) of 2021 and will ultimately provide 4-lane access to N. Lemay Avenue on the east and the Lake Canal on the west. The main entrance to the Development will be situated at the east and west access points of E. Suniga Road.

Builder Agreements

The Developer entered into a "Lot Purchase and Sale Option Agreement" dated August 10, 2020 with Northfield Land, LLC (as previously defined the "Landmark Lot Purchase Agreement") and a separate contract with DFH Mandarin (the "Dream Finders Lot Purchase Agreement", and together with the Landmark Lot Purchase Agreement, the "Lot Purchase Agreements") for the purchase of all planned three-hundred seventy-five (375) homes in the Development.

The Landmark Lot Purchase Agreement sets forth the purchase and sale of two-hundred thirty-six (236) lots for construction by Landmark Homes of its Discovery condominium and townhome units and stacked single-level flats and the Dream Finders Lot Purchase Agreement sets forth the purchase and sale of one-hundred thirty-nine (139) lots for construction by Dream Finders Homes of its Brownstone townhomes. The contracts set forth a takedown schedule with the option to takedown lots on an accelerated basis in accordance with the terms of the Lot Purchase Agreements (the "Takedown Schedules"). The first lot takedowns are anticipated to occur on March 31, 2021. Final lot takedowns pursuant to the Landmark Lot Purchase Agreement are anticipated to occur by April 2026 and accordingly by May 2025 pursuant to the Dream Finders Lot Purchase Agreement.

The contracts further require the Builders to provide a deposit corresponding with the commencement of pre-defined construction phases. Two (2) such phases are accounted for, with a total aggregate builder deposit of $1.7 million having already been paid upon the effective date of the Lot Purchase Agreements.

Pursuant to the Lot Purchase Agreements, the lot purchase price ("Lot Purchase Price") is bifurcated into two (2) purchase categories including (i) base lot price; and (ii) a lot purchase premium based on a percentage of the base lot price. The estimated Lot Purchase Price for the Dream Finders Homes Brownstone townhomes is estimated at approximately $92,354. The estimated Lot Purchase Price for the Landmark Homes product types range from $50,510 for the condominium and townhome lots (a total of 56

lots) to $68,163 for the stacked single-level flats (a total of 180 lots). However, the stacked single-level flats are anticipated to be purchased on an accelerated basis such that the total lot purchase price is paid in full upon takedown of the first one-hundred thirty-two lots (132 lots). The Lot Purchase Price is subject to upward adjustments for any delay of takedowns per the Takedown Schedules and to ensure the Developer meets certain return thresholds. Further, pursuant to the Landmark Lot Purchase Agreement, in addition to the Lot Purchase Price, Landmark Homes must also pay a revenue sharing payment at the time of each home close equal to fifteen percent (15%) of the difference of the gross sale price to the homebuyer as reflected on applicable closing disclosure and/or settlement statements and a base sales price as defined therein.

As described above, the Landmark Lot Purchase Agreement further requires the Developer to fund developments costs in an amount no greater than $14,866,601 and the Project Manager to fund any costs in excess thereof. The Developer has also agreed to convey certain common areas, internal drives and parking areas to the District for no additional consideration. In addition, while not included in the Landmark Lot Purchase Agreement, Landmark Homes also intends on constructing the mixed-use center, which includes second floor apartments.

Participating Builders

Brief descriptions of the participating homebuilders within the Development are provided below. The information below has been obtained from the homebuilder website and their publicly available sources.

Dream Finders Homes. DF Holdings provides residential construction services through its subsidiaries and is also the parent company of Dream Finders Homes, LLC, a Florida limited liability company, and DFH Mandarin, LLC, a Florida limited liability company, which is the homebuilder for the Development and will purchase finished lots from the Developer. Such entities build homes under the name Dream Finders Homes. More information about Dream Finders Homes can be obtained by visiting https://www.dreamfindershomes.com/.

Dream Finders Homes and its affiliates are currently building homes in northeastern Florida as well as Orlando, Florida; Savannah, Georgia; Hilton Head, South Carolina; Denver, Colorado; Austin, Texas and Northern Virginia markets. Recent awards and recognitions include: ranked #1 Fastest Growing Private Company by Revenue Growth in Jacksonville by Jacksonville Business Journal (2017), ranked #2 Fastest Growing Private Home Builder in the Nation by Professional Builder (2017), ranked #1 Private Home Builder in Jacksonville by Revenue and Closing Volume (2010-2018) and ranked #36 America's Biggest Builders (2019). Dream Finders Homes has earned 51 Parade of Homes Awards from the Northeast Florida Builders Association and the St. Johns County Builders Association (2011-2019).

Landmark Homes. Landmark Homes is a local homebuilder and land developer based in northern Colorado and is also a homebuilder for the Development. Additional information pertaining to Landmark Homes can be found herein under the heading "Project Manager."

Product Offerings

The Development is being marketed as an affordable and attainable neighborhood currently featuring Dream Finders Homes' Brownstone three-story townhomes and Landmark Homes' Discovery condominiums and townhome series as well as stacked single-level flats. More than thirteen (13) floor plans will be featured, all offering a new generation of energy efficient technology. Homebuyers will also have LEED Gold certified homes that will mostly include heat recovery ventilator systems, rooftop solar photovoltaic system and/or a battery storage system and an electric vehicle outlet in each garage.

Dream Finders Homes and Landmark Homes are currently intended to be the sole homebuilders for the homes in the Development. The information in the below table illustrates the current base pricing and square footage for the residential units in the Development, which information is subject to change. While not depicted below, Landmark Homes also intends on constructing the mixed-use center, which includes second floor apartments.

Product	Estimated Square Footage	Estimated Base Pricing
Dream Finders Homes – Brownstone Townhomes	1,675 to 2,148	$425,000 - $495,000
Landmark Homes – Discovery Series, Condominiums	1,230 to 1,472	$289,000 - $325,000
Landmark Homes – Discovery Series, Townhomes	1,421 to 1,625	$311,000 - $332,000
Landmark Homes – Condominium Flats	962 to 1,383	$335,000 - $405,000

Model Home/Sales Activity

The Development is planned to feature two (2) to three (3) model homes for each product type series offered and on-site sales centers. Marketing to homebuyers for initial reservation of homes will begin in the fourth quarter (4th) of 2020 and home sales activity will begin in the first quarter (1st) of 2021. Construction of the model homes along with the on-site sales centers is expected to be complete in the fourth quarter (4th) of 2021. No home sales contracts have been written with retail buyers to date.

Projected Absorption

Summarized below is the projected absorption schedule as recommended and estimated by the Market Study. The recommendation and estimates provided by the Market Study are based upon the assumptions, and subject to the qualifications and limitations, set forth therein. See Appendix C attached hereto. See "Appendix C—MARKET STUDY."

	2021	2022	2023	2024	2025	2026
Dream Finders Homes – Brownstone Townhomes	8	32	33	33	33	--
Landmark Homes – Discovery Series, Condominiums	4	20	16	--	--	--
Landmark Homes – Discovery Series, Townhomes	4	12	--	--	--	--
Landmark Homes – Condominium Flats	--	36	36	36	36	36
Mixed Use Center						
Market Rate Apartments	--	2	--	--	--	--
Retail (building square ft.)	--	2,679	--	--	--	--

Recreational Amenities

The Development will feature a clubhouse with plans for a swimming pool, a workout facility, kitchen and gathering space for the residents and the public. Located near the clubhouse will be bike repair station, doggie station and the mix-use center offering a variety of light-retail options on its first level. The community will be designed with approximately twenty-six (26) acres of parks and green spaces and include enhanced pedestrian access by way of trails, sidewalks and bike lane paths. In addition, a regional trail is expected to be constructed alongside the clubhouse extending to "Old Town" Fort Collins.

The Project Manager estimates the cost of the clubhouse at $1.7 million and anticipates construction to begin in the fourth quarter (4th) of 2021, with a scheduled completion in the summer of 2022. The regional trail is expected to cost $200,000 with scheduled completion in late 2021/early 2022. It is anticipated that the Developer will privately fund these amenities and convey such amenities to the District upon completion.

Marketing

Pursuant to the Development and Management Agreement, the Project Manager will employ a comprehensive marketing and branding program for the Development. Components of the marketing program include community brochures, internet media, advertising materials and other media, including newspapers, direct mailings and placement of public relations articles. In addition to cross marketing from existing sales centers, the Builders will utilize their own marketing programs to market their respective product offerings. General branding and promotion will begin in the fourth quarter (4th) of 2020.

Educational Facilities

Residents of the Development are zoned for the highly rated, Poudre School District. Based upon current Poudre school districting, elementary through high school children residing in the Development attend Tavelli Elementary, Liberty Middle School, and Poudre High School (International Baccalaureate). Fort Collins is also home to recognizable higher education institutions such as the Colorado State University, IBMC College and Front Range Community College. Colorado State University is the second largest university in Colorado and enrolls 31,725 students each year (according to the Fort Collins Chamber of Commerce).

Competition

As set forth in the Market Study, development in the District is expected to compete with active residential as well as future developments in the Northern Colorado market. See "Appendix C—MARKET STUDY."

The Developer

DFC Northfield, LLC, a Florida limited liability company (the "Developer"), owns all of the land in the District. The Developer was formed on March 3, 2020. The sole manager of the Developer is DF Capital Management Direct, LLC, a Florida limited liability company ("DF Capital Management"). DF Capital Management, as a private investment manager, will manage capital on behalf of the principals of the Developer consisting of investment companies and high net worth individuals. More information about DF Capital Management can be obtained by visiting https://dfcapitalmanagement.com/.

Christopher R. Butler is a Principal of DF Capital Management and Manager of DF Residential LP, responsible for overall fund operations, strategy, fundraising, and investor relations. Previously, Chris served as an Executive Director at the J.P. Morgan Private Bank, where he managed investment portfolios for ultra-high net worth individuals and institutions. In this role, Chris worked across client balance sheets to implement diversified investment portfolios, including Private Equity and Private Real Estate investments through partnerships with a multitude of top quartile fund managers. Prior to this role, Chris worked at the Investment Bank at UBS in the Municipal Securities Group. He was an analyst on the syndicate and interest rate derivatives desks, and subsequently spent a number of years on institutional sales and trading team. Chris received his MBA from the McDonough School of Business at Georgetown University, and a Bachelor's Degree in Business.

The Project Manager

Pursuant to the Development and Management Agreement, the Development is managed by Northfield Land LLC, a Colorado limited liability company and affiliate of Landmark Homes. Landmark Homes is a local homebuilder and land developer based in northern Colorado and is also a homebuilder for the Development. Landmark Homes has been constructing quality homes since 2005 and is currently

offering new homes in ten (10) Northern Colorado communities. More information about Landmark Homes can be obtained by visiting https://mylandmarkhomes.net/.

The biographies of certain principals of the Project Manager and Landmark Homes are set forth below:

Jason Sherrill is currently the CEO of Landmark Homes. Jason (along with Mr. Jon Mosier) founded Landmark Homes in 2005. Since inception, Landmark has delivered over 1,000 homes; in addition, Landmark Sports, a subdivision of Landmark Homes, has built over 300 baseball fields. Aside from setting the vision for Landmark, Jason brings site-use planning and product design expertise to the Landmark Homes team. He is responsible for driving the entitlement processes within Landmark Homes' geographical footprint. Prior to Landmark Homes, Jason was a partner and/or founder in multiple design and construction firms, most recently DesignOne Consultants and SportsOne Development focusing on design and construction management of development projects and youth field programs across the country. Jason holds a Bachelor of Science in Landscape Architecture from Colorado State University.

Jon Mosier is currently the President of Landmark Homes. Jon oversees all construction at Landmark Homes, including land development extending to the vertical construction of Landmark Homes' product types (e.g., single-family homes, townhomes, and stacked condominiums). Jon has twenty-two (22) years of experience in the construction industry, including employment as a soils engineering technician at CLT Thompson in Denver, Colorado and construction management and development of sports field and multi-family projects with DesignOne Consultants and SportsOne Development. Jon holds a Bachelor of Science degree Earth/Space Science from Metropolitan State University of Denver.

Rahul Majumdar is the CFO of Landmark Homes. Rahul joined Landmark Homes in 2014 and oversees all financial operational and planning aspects of the business. Prior to Landmark Homes, Rahul was a management consultant with PRTM Management Consultants (later acquired by Price-Waterhouse Coopers). At PRTM, Rahul provided operational strategy expertise for Fortune 100 clients in the high-tech, pharmaceutical, and automotive industries - his engagements spanned EBITDA improvement, mergers and acquisitions, and product development. Prior to PRTM, Rahul worked at Boeing Satellite Systems as an integrated circuit design engineer. Rahul holds a Bachelor of Science in Electrical Engineering from the University of California, Los Angeles (UCLA), a Master of Science in Electrical Engineering from the University of Southern California (USC), and a Master of Business Administration from UCLA.

DISTRICT FINANCIAL INFORMATION

The Series 2020A Senior Bonds are payable from, among other Senior Pledged Revenue, ad valorem property taxes resulting from imposition by the District of the Senior Required Mill Levy. See "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds—*Senior Required Mill Levy*." The Series 2020B Subordinate Bonds are payable from, among other Subordinate Pledged Revenue, ad valorem property taxes resulting from the imposition by the District of the Subordinate Required Mill Levy. See "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds—*Subordinate Required Mill Levy*." Certain information pertaining to such ad valorem property taxes as well as other financial information of the District, is set forth below. Not all ad valorem property taxes and fees that are or may be imposed by the District as described herein are pledged to the payment of the Bonds. For a complete description of revenues pledged to the payment of the Series 2020A Senior Bonds, see "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds," and for a complete description of revenues pledged to the payment of the Series 2020B Subordinate Bonds, see "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds."

Ad Valorem Property Taxes

The Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the District. Property taxes are uniformly levied against the assessed valuation of all taxable property within the District. See also "THE DISTRICT—Service Plan Limitations." The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below; provided, however, that the topics described below are subject to certain temporary adjustments and changes due to the spread of COVID-19 as a result of certain Executive Orders which have been promulgated by the Governor of the State (including, but not limited to, certain temporary rule making processes and/or statutory changes in connection therewith), additional actions taken by local jurisdictions such as the City or the County, and/or federal or state of Colorado legislative changes. See also "RISK FACTORS—Certain Risks Related to COVID-19 Coronavirus." In addition, the District's ability to impose ad valorem property taxes is subject to, among other limitations, any limitations set forth in its Service Plan.

Property Tax Reduction for Senior Citizens and Disabled Veterans. On November 7, 2000, and November 7, 2006, respectively, the electors of the State approved Referendum A and Referendum E, constitutional amendments granting a property tax reduction to qualified senior citizens and qualified disabled veterans. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first $200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution.

Property Subject to Taxation. Both real and personal property located within the boundaries of the District, unless exempt, are subject to taxation by the District. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The "actual" value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated "level of value" set on January 1 of each odd-numbered year. The "level of value" is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, "actual" values for the 2019 levy/2020 collection year as well as the 2020 levy/2021 collection year are based on market data obtained from the period January 1, 2017–June 30, 2019. The "level of value" calculation does not change for even-numbered years. The classes of property the "actual" value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the "actual" value (determined as described in the immediately preceding paragraph) times an assessment ratio. The assessment ratio of residential property changes from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment").

The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuates. The residential assessment ratio (which is a percentage of the "actual" value of property as determined by the county assessor) had been 7.96% since the 2003 levy year; however, in 2017 the residential rate was changed to 7.20% for levy years 2017 and 2018 (collection years 2018 and 2019) and the Colorado General Assembly further reduced the residential assessment rate to 7.15% for levy years 2019 and 2020 (collection years 2020 and 2021).

In June of 2020, the Colorado General Assembly passed Senate Concurrent Resolution 20-001 ("SRC 001"), referring a constitutional amendment to the 2020 ballot that would repeal the Gallagher Amendment (the "Gallagher Amendment Repeal"). Preliminary voting results indicated that the Gallagher Amendment Repeal was approved by voters on November 3, 2020. Assuming these results are upheld, Senate Bill 20-223 ("SB 223") (adopted by the legislature as a companion bill to SRC 001) would freeze assessment ratios at their current levels until the next property tax year for which the Colorado General Assembly adjusts one or more of the assessment ratios. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment ratio in a downward fashion but no longer obligates a downward residential assessment ratio (an upward adjustment would likely result in increased taxes and thus require a vote of the people as required pursuant to the State Constitution, approval by the electorate).

Assessment Appeals. Beginning in May of each year each county assessor hears taxpayers' objections to property valuations, and the County board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year; provided, however, that certain emergency rules promulgated and issued by the State board of equalization pursuant to executive orders 2020-022, 2020-055 and 2020-089 of the Governor of the State have extended the deadline temporarily from August 25 to October 13 for this year. The County sent a letter to all authorities of the County on June 24, 2020 explaining that as a result of the new calendar, the August 25 deadline will provide an "unofficial" preliminary certification, with the "official" preliminary certification being October 13 for the 2020 certification year. Final certification of assessed values remains December 10, 2020.

Taxation Procedure. The assessed valuation and statutory "actual" valuation of taxable property within the District is required to be certified by the County Assessor to the District no later than August 25 each year; provided, however, that certain emergency rules promulgated and issued by the State board of equalization pursuant to executive orders 2020-022, 2020-055 and 2020-089 of the Governor of the State have extended the deadline temporarily from August 25 to October 13 for this year. Such value is subject to recertification by the County Assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by a District for its General Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take into consideration the limitations on certain increases in property tax revenues as described in "DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending" and "—Budgetary Process and Information" below. The Board of the District must certify the District's levy to the County no later than December 15.

Upon receipt of the tax levy certification of the District and other taxing entities within the County, the Board of County Commissioners levies against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified by the Board of County Commissioners to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2020, for example, will be collected in 2021. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent on, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The County Treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the District to the District on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the County Treasurer. Further, the County Treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the Board of County Commissioners.

COVID-19. In response to COVID-19 (see "RISK FACTORS–Certain Risks Related to COVID-19"), the State Governor issued Executive Order D 2020-012 which, among other things, granted county treasurers in the State the authority to waive, for limited periods, statutorily imposed delinquent interest on late property tax payments. Accordingly, the County approved a reduction in delinquent property tax interest from 12% annually to 1% annually, between June 15, 2020 and October 1, 2020. If taxes had not been paid by September 30, 2020, beginning October 1, 2020, delinquent interest accrues at 1% per month retroactively back to the date of delinquency. Additionally, the Colorado State Legislature passed House Bill 20-1421 ("HB 1421") which allows for the delay of property tax payments without penalty through October 2020. Such measures, which are intended to provide temporary relief to customers affected by the economic impacts of COVID-19, are not currently believed to materially affect District revenues and the District will be continuing to review the impact of such measures on an on-going basis.

Ad Valorem Property Tax Data

Assessed Valuation, "Actual" Valuation and Mill Levies. Due to the District's recent formation in November 2019, the District received its first assessed valuation of $2,422 and "actual" value of $7,670 from the County Assessor on October 1, 2020, which are preliminary values subject to change prior to the final certification date of December 10, 2020. The District expects to certify its first mill levy in December 2020 for the collection of property taxes in 2021.

Property Class; Taxpayers. According to the County Assessor, all of the property within the District is assessed as agricultural property and is owned by the Developer.

Overlapping Mill Levies. Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the County Assessor's Office, there are currently seven taxing entities overlapping all or a portion of the District and there is currently only one total mill levy being assessed against all property owners within the District, as set forth in the

following table. Additional taxing entities may overlap the District in the future. See also "DEBT STRUCTURE—Estimated Overlapping General Obligation Debt."

TABLE II
Total 2019 Mill Levies [1]

Taxing Entity	Mill Levy
Fort Collins	9.797
Health District of Northern Larimer County	2.167
Larimer County	21.863
Larimer County Pest Control	0.142
Northern Colorado Water Conservancy District	1.000
Poudre R-1 School District	56.000
Poudre River Public Library District	3.000
Overlapping Mill Levy	93.969

[1] One mill equals 1/10 of one cent. Mill levies certified in 2019 are for the collection of ad valorem property taxes in 2020. The District expects to levy its first mill levies in December 2020 for the collection of property taxes in 2021.
Source: County Assessor's Office

Specific Ownership Taxes

"Specific Ownership Tax" is defined in APPENDIX B hereto as the specific ownership tax which is collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Specific Ownership Tax revenue represents the amounts received by the District from the State pursuant to such statute primarily on motor vehicle licensing. Such tax is collected by all counties and distributed to every taxing entity within a county, such as the District, based on the proportion of the taxing entity's ad valorem taxes to the cumulative amount of ad valorem taxes levied county-wide. The portion of Specific Ownership Tax revenue allocable to the Senior Required Mill Levy is pledged to the payment of the Series 2020A Senior Bonds and the portion of Specific Ownership Tax revenue allocable to the Subordinate Required Mill Levy is pledged to the Series 2020B Subordinate Bonds, and such revenue is not available for other purposes. See "THE SERIES 2020A SENIOR BONDS—Security for the Series 2020A Senior Bonds—*Specific Ownership Tax*" and "THE SERIES 2020B SUBORDINATE BONDS—Security for the Series 2020B Subordinate Bonds—*Specific Ownership Tax*."

The portion of the Specific Ownership Tax that is collected as the result of the District's Operating Mill Levy is anticipated to be applied to operations and maintenance costs of the District.

Operating Mill Levy; Funding of Operations and Maintenance

The Service Plan imposes a limit on the Debt Mill Levy and the Operating Mill Levy which is levied for the payment of administration, operations and maintenance including, without limitation, repair and replacement of Public Improvements (the Operating Mill Levy together with the Debt Mill Levy are referred to as the "Aggregate Mill Levy"). The District may impose an Operating Mill Levy of up to 50 mills until the District imposes a Debt Mill Levy. Once the District imposes a Debt Mill Levy of any amount, the Operating Mill Levy cannot exceed 10 mills at any point. The Aggregate Mill Levy cannot exceed in any year 50 mills (the "Aggregate Mill Levy Maximum"), subject to the Gallagher Adjustment. The District's Aggregate Mill Levy does not include any Regional Mill Levy that the District may levy.

Financial Statements, District Funds and Accounting Policies

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The audited financial statements must be filed with the Board within six months after the end of the fiscal year and with the State Auditor thirty days thereafter. Failure to comply with this requirement to file an audit report may result in the withholding of the District's property tax revenue by the County Treasurer pending compliance. Due to the District's recent formation, no historical financial information is available for the District.

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The District has created three governmental funds: a General Fund to provide for operating and maintenance expenditures; a Capital Project Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District; and a Debt Service Fund to account for the repayment of principal and interest on the Bonds.

Budget and Appropriation Procedure

The District's budget is prepared on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S. The budget must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

On or before October 15 of each year, the District's budget officer must submit a proposed budget to the Board for the next fiscal year. Thereupon notice must be published stating, among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget prior to its adoption.

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of the District must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. District expenditures may not exceed the amounts appropriated, except in the case of an emergency or a contingency which was not reasonably foreseeable. Under such circumstances, the Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the District receives revenues which were unanticipated or unassured at the time of adoption of the budget, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In the event that revenues are lower than anticipated in the adopted budget, the District may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

The Board adopted the District's 2020 budget and appropriation resolution pursuant to the procedures described above and filed such budget with the State Division of Local Government. Due to the District's limited financial activity to date, no audited financial information is available for inclusion herein. Set forth hereafter are the proposed 2021 budget and adopted 2020 budget, as compared with 2020 year to date unaudited figures for the District's General Fund.

TABLE III
General Fund Budget Summary and Comparison [1]

	2021 Budget (as proposed) [2]	2020 Budget (as adopted)	2020 Year to Date (unaudited) [3]
Beginning Fund Balance	--	--	$--
Revenues			
Property Taxes	$135	--	--
Specific Ownership Taxes	8	--	--
Developer Advances	--	$50,000	--
Total Revenues	143	50,000	--
Total Funds Available	143	50,000	--
Expenditures			
Payment for Services to No. 1	140	10,000	--
Treasurer's Fees	3	--	--
Audit	--	500	--
Election	--	5,000	--
Insurance/SDA Dues	--	2,100	--
Legal	--	15,000	--
Engineering	--	5,000	--
Contingency	--	10,000	--
Emergency Reserve	--	1,428	--
Total Expenditures	143	49,028	--
Ending Fund Balance	$ --	$ 972	$--

[1] Unaudited figures through September 30, 2020.
[2] Subject to change prior to the final adoption in December 2020.
Sources: District 2021 Proposed Budget, 2020 Adopted Budget and the District

Limitation on Certain Tax Revenues. It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the District, and the debt service requirements of the District's outstanding bonds and other obligations that the rate of mill levy is determined each year. Pursuant to the provisions of Article X, Section 20 of the State Constitution, the District is subject to tax revenue limitations as described below in "—Constitutional Amendment Limiting Taxes and Spending," but has received voter approval to waive such limitations.

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of District funds in eligible depositaries and for the collateralization of such deposited funds. The District also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See "TAX MATTERS."

Risk Management

The Board acts to protect the District against loss and liability by maintaining certain insurance coverages which the District's Board believes to be adequate. Currently, the District maintains insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established

by the Special District Association of Colorado in 1988 as an alternative to the traditional insurance market to provide special districts with general liability, auto/property liability, and public officials' liability insurance coverage. Since 2001, CSDPLP has also offered workers' compensation insurance. The District's current policy expires on December 31, 2020, and covers the following General Liability insurance coverages: commercial general liability; public officials' liability; employment practices; and occurrence. There is no assurance that the District will continue to maintain its current levels of coverage.

Constitutional Amendment Limiting Taxes and Spending

In 1992, Colorado voters approved the Taxpayer's Bill of Rights, ("TABOR"), that constitutes Article X, Section 20 of the State Constitution. TABOR imposes various limits and requirements on the State and all Colorado local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this section as a "governmental unit"). Any of the following actions, for example, require voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in actual value of all real property in a governmental unit from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property for government units other than school districts, and the percentage change in student enrollment for a school district; (b) any increase in the real property tax revenues of a local governmental unit (not including the State) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that `for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a State general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending (excluding bonded debt service) in 1995 and subsequent years. TABOR provides that "[w]hen [a governmental unit's] annual . . . revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause (c) of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] will be suspended to provide for the deficiency." The preferred interpretation of TABOR will, by its terms, be the one that reasonably restrains most the growth of government.

Revenue and Spending Limitations Waived by Voters. At the Election, the voters of the District authorized the District to collect, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants, investment earnings or any other fee, rate, toll, penalty, charge or other income authorized by law or contact to be imposed, collected or received by the District in fiscal year 2019 and in each fiscal year thereafter, without limitation by the revenue and spending limits of TABOR or any other law, as they currently exist or as they may be amended in the future.

DEBT STRUCTURE

The following is a discussion of the District's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

Debt Restrictions

Pursuant to the Indentures, the District may issue Additional Bonds subject to certain conditions, as more particularly described in "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*" and "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Bonds*." In addition, the issuance of Additional Bonds is restricted by: (a) State statutes that restrict the amount of debt issuable by special districts; (b) the availability of electoral authorization; and (c) the District's Service Plan, all as described below.

Statutory Debt Limit. The District is subject to a statutory general obligation debt limitation established pursuant to Section 32-1-1101(6), C.R.S. Said limitation provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district shall not at the time of issuance exceed the greater of $2 million or 50% of the District's assessed valuation. The District has determined to restrict the sale of the Bonds to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S., and thus the Bonds are permitted under Section 32-1-1101(6), C.R.S.

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the District. Among such provisions, Article X, Section 20 of the State Constitution requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See "DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending."

Service Plan Limitations. Regardless of the amount of voted authorization obtained by the District pursuant to the Election, the District is limited by its Service Plan as to the amount of debt it may issue. See "—General Obligation Debt—*Maximum Debt Authorization*" below. The limitations of the Service Plan may be modified or amended with the approval of the City and as otherwise provided in the Special District Act.

General Obligation Debt

Election. At the Election, the District's qualified electors voting at such election approved indebtedness of $160,000,000 to finance the costs of designing, acquiring, constructing, relocating, installing, completing and otherwise providing Public Improvements. The amount of the District's electoral authorization for general obligation indebtedness for public infrastructure purposes will be reduced by the principal amount of the Bonds.

Allocation of Bonds to Voted Authorization. The District expects to allocate voted authorization obtained at the Election to the indebtedness of the Bonds. The District expects to allocate approximately $6,675,000 in principal of the Bonds (comprised of $5,810,000 in principal of the Series 2020A Senior Bonds and $865,000 in principal of the Series 2020B Subordinate Bonds) to the voted authorization for public improvements from the Election.

Voter Authorized but Unissued Indebtedness. Following the issuance of the Bonds, the District will have voter authorized but unissued indebtedness authorized at the Election in the estimated amount of $153,325,000 for public improvements. See "*—Maximum Debt Authorization*" below for additional limitations on the District's ability to issue debt.

Maximum Debt Authorization. Regardless of the amount of voted authorization available to the District pursuant to the Election, the Service Plan establishes a limitation on the total amount of Debt (within the meaning of the Service Plan). The Maximum Debt Authorization, as set forth in the Service Plan, is $16,000,000 in aggregate for the Districts collectively. Bonds which have been refunded do not count against the Maximum Debt Authorization. After the issuance of the Bonds the District will have $9,325,000 remaining under the Maximum Debt Authorization. The limitations of the Service Plan may be modified or amended only with the prior approval of the City and as otherwise provided in the Special District Act.

Outstanding General Obligation Debt. Following the issuance of the Bonds, the Bonds will constitute the District's only outstanding general obligation debt.

Estimated Overlapping General Obligation Debt

Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities, such properties will be liable for an allocable portion of such debt. For purposes of this Limited Offering Memorandum, the percentage of each entity's outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which District property owners are responsible will also change.

The District is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the District, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

TABLE IV
Estimated Overlapping General Obligation Debt

Overlapping Entity [1]	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties Within the District	
		Percent	Amount
Poudre R-1 School District	$460,395,000	0.0001%	$460

[1] Other entities overlap the District; however such other entities do not currently report having any outstanding general obligation debt, and therefore are not listed in this table. See "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*Overlapping Mill Levies*."
Sources: County Assessor's Office and information obtained from individual entities

General Obligation Debt Ratios

The District has not previously issued general obligation indebtedness and, therefore, historical debt ratios are not available. See "INTRODUCTION—Debt Ratios" for general obligation debt ratios for the District upon issuance and delivery of the Bonds.

Revenue and Other Financial Obligations

The District has the authority to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. Other than the obligations of the District described in "THE DISTRICT—Material Agreements of the District," no such obligations are currently outstanding.

LEGAL MATTERS

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the "Governmental Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity.

In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment.

Subject to exceptions such as the specified actions or conditions listed above that may result in a waiver, the maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000 for claims accruing before January 1, 2018, or the sum of $387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000 for claims accruing before January 1, 2018, except in such instance, no person may recover in excess of $350,000; or the sum of $1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of $387,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first such increase to occur on or before January 1, 2018. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

The District has not acted to increase the damages liability limitations in the Governmental Immunity Act. Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property

tax to discharge a settlement or judgment, such tax may not exceed a total of ten (10) mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee of any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, as Bond Counsel to the District. In addition to acting as Bond Counsel, Kutak Rock LLP has been retained as Disclosure Counsel to assist the District in the preparation of this Limited Offering Memorandum. Certain legal matters will be passed upon for the District by White Bear Ankele Tanaka & Waldron, Centennial, Colorado, as General Counsel to the District. Sherman & Howard L.L.C., Denver, Colorado is acting as legal counsel to the Underwriter.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Pending and Threatened Litigation

In connection with the issuance of the Bonds, General Counsel to the District is expected to render an opinion stating that, to the best of its actual knowledge, there is no action, suit, proceeding, inquiry or investigation pending in which the District is a party wherein an unfavorable decision, ruling, or finding would affect the validity of the Bond Resolution, the Indentures, or other financing documents, or the transactions contemplated therein.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the Owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Tax Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners'

particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

Original Issue Discount. The Series 2020A Senior Bonds have an original yield above their respective interest rates, as shown on the cover of this Limited Offering Memorandum (collectively, the "Discount Bonds"), and are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Bank Qualified. The District has represented that it does not reasonably anticipate issuing greater than $10,000,000 of tax-exempt obligations in calendar year 2020 and that it has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80% of that portion of such institutions' interest expense allocable to interest on such Bonds. Bond counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such Bonds.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

MISCELLANEOUS

Ratings

No rating has been or will be applied for with respect to the Bonds.

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE DISTRICT ASSUMES NO

RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

The "Colorado Municipal Bond Supervision Act," Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the "Commissioner") to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as "bonds") issued by a special district must first be registered with the Commissioner unless exempt under the act.

The Bonds qualify for an exemption from registration under the Colorado Municipal Bond Supervision Act because the Bonds are being sold in minimum denominations of $500,000 and integral multiples of $1,000 in excess thereof.

Continuing Disclosure Agreement

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) ("Rule 15c2-12"). The District, the Developer and the Project Manager have, however, agreed to enter into an agreement upon issuance of the Bonds (the "Continuing Disclosure Agreement") pursuant to which the District is to provide certain information to the Trustee on a quarterly basis and certain information on an annual basis, which the Trustee is to file in the manner prescribed by the Municipal Securities Rulemaking Board ("MSRB"), which is currently EMMA. The form of the Continuing Disclosure Agreement is appended as APPENDIX F to this Limited Offering Memorandum. A failure by the District to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under either of the Indentures. The Continuing Disclosure Agreement provides that if the District fails to comply with its obligations thereunder, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations thereunder.

The District has not previously entered into a continuing disclosure undertaking for purposes of Rule 15c2-12 or otherwise.

Interest of Certain Persons Named in this Limited Offering Memorandum

The legal fees to be paid to Bond Counsel, General Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

No Audited Financial Statements

Due to the recent formation of the District, no audited financial statements have been prepared for the District.

Underwriting

The Bonds are being sold by the District to the Underwriter at an underwriting discount of $133,500 pursuant to a purchase contract. See "THE BONDS—Application of Bond Proceeds." Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the Bonds. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the prices set forth on the cover page of this Limited Offering Memorandum. Such price may subsequently change without any requirement

of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

Municipal Advisor

North Slope Capital Advisors is acting as municipal advisor (the "Municipal Advisor") to the District in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Limited Offering Memorandum. The Municipal Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Bonds.

Additional Information

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Limited Offering Memorandum are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the "INTRODUCTION—Additional Information" hereto.

Limited Offering Memorandum Certification

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the Board. This Limited Offering Memorandum is hereby duly approved by the Board as of the date on the cover page hereof. This Limited Offering Memorandum is not to be construed as an agreement or contract between the District and the purchasers or owners of any Bond.

NORTHFIELD METROPOLITAN DISTRICT NO. 2

By /s/ Jason Sherrill
President

APPENDIX A

FORECASTED STATEMENT OF SOURCES AND USES OF CASH

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Northfield Metropolitan District No. 2
Forecasted Statement of Sources
and Uses of Cash

For the Years Ending
December 31, 2020 through 2050

SIMMONS & WHEELER, P.C. Certified Public Accountants
304 Inverness Way South, Suite 490, Englewood, CO 80112 (303) 689-0833

To the Board of Directors
Northfield Metropolitan District No. 2
In the City of Fort Collins, Larimer County, Colorado

Management is responsible for the accompanying forecast of Northfield Metropolitan District, which comprises the accompanying forecasted statements of sources and uses of cash (Exhibit I), the related debt service schedules (Exhibits II and III), analysis of absorption, facilities fees and market values (Exhibit IV) and calculations of assessed valuations (Exhibit I) for the years ending December 31, 2020 through 2050, including the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecast.

The accompanying presentation of projected sources and uses of cash for the years ending December 31, 2020 through 2056, under the hypothetical assumptions described in Note 7, are not part of the forecast and are presented for additional analyses only and should not be used for any other purpose.

There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Simmons & Wheeler P.C.

November 17, 2020

Northfield Metropolitan District No. 2

Summary of Significant Assumptions and Accounting Policies
December 31, 2020 through 2050

The foregoing forecast is based on information provided by representatives of the Board of Directors of the Northfield Metropolitan District No. 2 (the "District") collectively referred to as "management" herein. Management has relied on a Market Analysis and Absorption Forecast prepared by Metrostudy-Meyers, Centennial, CO dated July 15, 2020, for the taxable value and absorption of the residential and commercial property. The foregoing forecast presents, to the best of management's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects management's judgment as of November 17, 2020. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for debt retirement for the proposed Limited Tax General Obligation Bonds, Series 2020A (the "Series 2020A Bonds") in the amount of $5,810,000 and the proposed Subordinate Limited Tax General Obligation Bonds, Series 2020B (the "Series 2020B Bonds") in the total amount of $865,000. The Series 2020A and the Series 2020B Bonds are forecasted to be issued on December 2, 2020. The proceeds will be used for the purposes of funding and reimbursing a portion of the costs of acquiring, constructing and installing certain public improvements, paying capitalized interest, funding a Reserve Fund for the Series 2020A Bonds and to pay the costs of issuing the Series 2020A and Series 2020B Bonds.

Note 1: Ad Valorem Taxes

The primary source of revenues for the District will be the collection of ad valorem taxes.

Residential property is assessed at 7.15% of market values for collection year 2020. Prior to the construction of a dwelling unit, residential lots are assessed at 29% of market values. Per the Metrostudy-Meyers report, the residential development within the District is anticipated to include 377 residential units from 2021 through completion in 2026. Market values for the residential property in the District are forecasted to average in a range from $245,000 to $479,620 for each product type as of 2020 as detailed in Exhibit IV. Finished lots are forecasted at 10% of current market values and are assessed at 29% of the forecasted market values. Prior to construction, market values of residential dwelling units are forecasted to inflate at 2% per year. After the construction of residential property market values are assumed to inflate at 2% biennially. The related assessed values are reflected in Exhibit I.

Commercial property is forecasted to be assessed at 29% of market values. Per the Metrostudy-Meyers report, the commercial development within the District is anticipated to include 2,679 square feet, which is forecasted to be completed in 2022. Market values for the commercial property in the District are forecasted to average $335 per square foot as of 2020 as detailed in Exhibit IV. Finished lots are forecasted at 10% of current market values and are assessed at 29% of the forecasted market values. Prior to construction, market values of commercial property are forecasted to inflate at 2% per year. After the construction of commercial property, market values are assumed to inflate at 2% biennially. Exhibit IV details the forecasted absorption and market values for the commercial property in the District. The related assessed values are reflected in Exhibit I.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1st subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.

Note 1: Ad Valorem Taxes (continued)

The County Treasurer currently charges a 2.0% fee for the collection of property taxes.

Pursuant to the Service Plan, the maximum mill levy the District is permitted to impose for debt service and operations is 50.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2019) and the maximum mill levy the District is permitted to impose for operations is 10.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2019) once the District imposes a debt service mill levy of any amount. The District can only impose the debt service mill levy for 40 years after the year of the initial imposition of such mill levy. As a result of the residential rate change from 7.20% to 7.15% in collection year 2021 and the requirement to impose 40.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2019) for payment on the bonds, the debt service mill levy can increase to 40.279 mills (subject to further adjustment for any changes in the residential assessment rate) , if ever all of the property in the District is residential; however, because a portion of the property in the District is commercial property and vacant land, commencing in collection year 2021, the debt service mill levy is forecasted to be 40.000 mills. As vacant land converts to residential property, the debt service mill levy is forecasted to increase as indicated in Exhibit I. For collection year 2020, the District has not certified mill levies for operations and debt service.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 6% of property taxes collected.

Note 2: Facilities Fees

The District intends to impose a Facilities Fee on each paired unit and each multi-family (apartment) unit in the amount of $500. Facilities Fees are due at the time a building permit is issued for the applicable lot. Facilities Fees are pledged to the repayment of the Series 2020A and Series 2020B Bonds. The forecast assumes that facilities fees will not be imposed on commercial property.

Note 3: Bond Assumptions

The District intends to issue the Series 2020A Bonds in the total amount of $5,810,000 on December 2, 2020. The Series 2020A Bonds are forecasted to carry a coupon rate of 5.000% and mature on December 1, 2050. The Series 2020A Bonds will be secured by a required maximum debt service mill levy of 40.000 mills (subject to adjustment as described in Note 1), the Specific Ownership Taxes attributable to the Debt Service Fund mill levy imposed, the Facilities Fees as described in Note 2, capitalized interest in the estimated amount of $870,693, a reserve fund in the amount of $483,000 and to the extent excess pledged revenues are available, deposits will be made to a Surplus Fund, up to a maximum amount of $483,000. The District is required to impose the minimum required mill levy of 40.000 mills (subject to adjustment as described in Note 1) until the Surplus Fund is full. Exhibit I reflects the total mill levy of 40.000 mills (subject to adjustment as described in Note 1) for the entire forecast period. The limited minimum and maximum mill levies are required to further adjust for changes in the ratio of residential assessed values to market values occurring after the issuance of the Series 2020A Bonds. Exhibit II reflects the forecasted repayment of principal and interest on the Series 2020A Bonds. If not paid, the Series 2020A Bonds discharge on December 31, 2060.

Note 3: Bond Assumptions (continued)

The Indenture requires that revenues be accumulated in the Surplus Fund up to the Maximum Surplus Amount of $483,000. The forecast reflects funds in excess of the Surplus Fund requirement as excess revenues in Exhibit I.

The District intends to issue its Series 2020B Bonds totaling $865,000 on December 2, 2020. The Series 2020B Bonds are forecasted to carry a coupon rate of 7.50% and are forecasted to mature on December 15, 2050. The Series 2020B Bonds are cash flow bonds with annual payments anticipated to be made on December 15, commencing December 15, 2021. Unpaid interest compounds annually on December 15 at the rate of 7.50%. Payments toward interest and principal can be made provided the Series 2020A Bonds (and any other Senior Obligations outstanding) are current and the Reserve and Surplus Funds for the Series 2020A Bonds and any other Senior Obligations are not less than the applicable maximum reserve and surplus amounts. The District is required to impose the maximum required mill levy of 40.000 mills (subject to adjustment as described in Note 1) less the mill levies required to be imposed by the District for payment of the Senior Obligations (including the Series 2020A Bonds) until the Series 2020B Bonds are fully paid or discharged on December 31, 2060. Other revenue pledged to the payment of the Series 2020B Bonds includes the portion of the specific ownership taxes attributable to the property taxes imposed for debt service on the Series 2020B Bonds and any revenue from the Facilities Fees as described in Note 2 remaining after the deduction of any amount thereof used to pay Senior Bonds. Exhibit III reflects the forecasted repayment schedule of the Series 2020B Bonds.

The following table reflects the forecasted sources and uses of funds for the Series 2020A and Series 2020B Bonds.

	Series 2020A	Series 2020B	Total
Proceeds	$ 5,810,000	$ 865,000	$ 6,675,000
Less: Original Issue Discount	(44,679)	-	(44,679)
	$ 5,765,321	$ 865,000	$ 6,630,321
Issuance costs	$ 393,044	$ -	$ 393,044
Reserve Fund	483,000	-	483,000
Capitalized Interest	870,693	-	870,693
Available for improvements	4,018,584	865,000	4,883,584
	$ 5,765,321	$ 865,000	$ 6,630,321

Note 4: District Improvements

This forecast does not reflect any additional cost of eligible District improvements that may be needed to complete the infrastructure within the District beyond the project funds totaling $4,883,584 from the Series 2020A and Series 2020B Bonds nor the source of the funds to pay for such costs.

Note 5: Regional Mill Levy

Pursuant to the Service Plan, the City of Fort Collins requires the District to impose a levy of 5.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2019) for regional improvements (the "Regional Mill Levy"). Per the Service Plan, the imposition of the Regional Mill Levy shall not exceed a term of 25 years from December 31 of the tax collection year after which the Regional Mill Levy is first imposed. The Regional Mill Levy is not counted against the total maximum mill levy of 50.000 mills that the District can impose for debt service and operations. Revenues received from the Regional Mill Levy are not available to pay debt service on the Series 2020A and Series 2020B Bonds nor operations and are reflected as an expenditure in the General Fund in Exhibit I.

Note 6: Operating Costs

Operating costs are forecasted to be paid from the imposition of a mill levy on property within the boundaries of the District. Commencing in collection year 2021, the mill levy for operations imposed by the District is forecasted to be 10.000 mills (subject to adjustment as described in Note 1). The portion of Specific Ownership Taxes attributable to the above described property tax revenues are also available for District operating expenses. In Exhibit I, the General Fund reflects the net tax revenues that are forecasted to be available for District operations.

Note 7: Hypothetical Assumptions

Alternative A

Under Alternative A, the projection reflects an absorption rate that will be 50% of the absorption rates reflected in Exhibit IV (see Exhibit IV-A). Under Alternative A, due to the slower absorption rate, it is projected that the Series 2020B Bonds will not be paid in full until December 15, 2056 as reflected in Exhibit III and the reserve fund will decrease to a balance of $105,710 in 2028. Funds available for operating expenses will be less, as indicated in Exhibit I-A.

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	Total	2020	2021	2022	2023	2024	2025	2026
General Fund								
Revenues								
Property taxes	4,899,412	-	33	2,790	24,659	70,647	107,793	143,934
Less County treasurer fees	(97,990)	-	(1)	(56)	(493)	(1,413)	(2,156)	(2,879)
Specific ownership taxes	293,965	-	2	167	1,480	4,239	6,468	8,636
Less available for Regional Mill Levy	(1,437,696)	-	(11)	(967)	(8,548)	(24,489)	(37,368)	(49,894)
Available for Operations	3,657,691	-	23	1,934	17,098	48,984	74,736	99,797
Mill Levy		0.000	10.000	10.000	10.019	10.051	10.058	10.061
Regional Mill Levy		0.000	5.000	5.000	5.009	5.025	5.029	5.030
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A	5,810,000	5,810,000						
Original Issue Discount	(44,679)	(44,679)						
Bond proceeds - Series 2020B	865,000	865,000						
	6,630,321	6,630,321	-	-	-	-	-	-
Expenditures								
Issuance costs	393,044	393,044			-			
Transfer to Debt Service Fund	1,353,693	1,353,693	-		-			
Available for improvements	4,883,584	4,883,584			-			
	6,630,321	6,630,321	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2027	2028	2029	2030	2031	2032	2033	2034
General Fund								
Revenues								
Property taxes	171,973	185,830	185,830	189,546	189,546	193,337	193,337	197,204
Less County treasurer fees	(3,439)	(3,717)	(3,717)	(3,791)	(3,791)	(3,867)	(3,867)	(3,944)
Specific ownership taxes	10,318	11,150	11,150	11,373	11,373	11,600	11,600	11,832
Less available for Regional Mill Levy	(59,614)	(64,421)	(64,421)	(65,709)	(65,709)	(67,023)	(67,023)	(68,364)
Available for Operations	119,239	128,842	128,842	131,419	131,419	134,047	134,047	136,728
Mill Levy	10.065	10.068	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy	5.032	5.034	5.034	5.034	5.034	5.034	5.034	5.034
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2035	2036	2037	2038	2039	2040	2041	2042
General Fund								
Revenues								
Property taxes	197,204	201,148	201,148	205,171	205,171	209,275	209,275	213,460
Less County treasurer fees	(3,944)	(4,023)	(4,023)	(4,103)	(4,103)	(4,186)	(4,186)	(4,269)
Specific ownership taxes	11,832	12,069	12,069	12,310	12,310	12,557	12,557	12,808
Less available for Regional Mill Levy	(68,364)	(69,731)	(69,731)	(71,126)	(71,126)	(72,549)	(72,549)	(74,000)
Available for Operations	136,728	139,463	139,463	142,252	142,252	145,097	145,097	147,999
Mill Levy	10.068	10.068	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy	5.034	5.034	5.034	5.034	5.034	5.034	5.034	5.034
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2043	2044	2045	2046	2047	2048	2049	2050
				General Fund				
Revenues								
Property taxes	213,460	217,729	217,729	148,056	148,056	151,017	151,017	154,037
Less County treasurer fees	(4,269)	(4,355)	(4,355)	(2,961)	(2,961)	(3,020)	(3,020)	(3,081)
Specific ownership taxes	12,808	13,064	13,064	8,883	8,883	9,061	9,061	9,242
Less available for Regional Mill Levy	(74,000)	(75,479)	(75,479)	-	-	-	-	-
Available for Operations	147,999	150,958	150,958	153,978	153,978	157,058	157,058	160,198
Mill Levy	10.068	10.068	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy	5.034	5.034	5.034					
				Capital Project Fund				
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

Debt Service Fund

	Total	2020	2021	2022	2023	2024	2025	2026
Beginning cash available	$ -	$ -	$ 1,353,693	$ 1,072,092	$ 833,346	$ 646,740	$ 579,674	$ 615,642
Revenues								
Property taxes	14,068,467	-	89	7,455	65,764	188,398	287,469	383,857
Specific ownership taxes	844,108	-	5	447	3,946	11,304	17,248	23,031
Facilities Fees	188,500	-	8,000	51,000	42,500	34,500	34,500	18,000
Transfer from Capital Projects	1,353,693	1,353,693		-		-		
	16,454,768	1,353,693	8,094	58,902	112,210	234,202	339,217	424,888
Expenditures								
Debt service - Series 2020A (see Exhibit II)	12,082,193	-	289,693	290,500	290,500	290,500	290,500	310,500
Debt service - Series 2020B see (Exhibit III)	3,837,142	-	-	-	-	-	-	-
Paying agent / trustee fees	203,000	-	-	7,000	7,000	7,000	7,000	7,000
County treasurer fees	281,372	-	2	149	1,315	3,768	5,749	7,677
	16,403,707	-	289,695	297,649	298,815	301,268	303,249	325,177
Ending cash available	$ 51,061	$ 1,353,693	$ 1,072,092	$ 833,346	$ 646,740	$ 579,674	$ 615,642	$ 715,354
Reserve Fund		$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Capitalized Interest Fund		$ 870,693	$ 581,000	$ 290,500	$ -	$ -	$ -	
Surplus Fund - ($483,000 maximum)		$ -	$ 8,092	$ 59,846	$ 163,740	$ 96,674	$ 132,642	$ 232,354
Excess Revenues		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy		-	40.000	40.000	40.079	40.204	40.235	40.246
Outstanding Debt - Series 2020A		5,810,000	5,810,000	5,810,000	5,810,000	5,810,000	5,810,000	5,790,000
Ratio of o/s Debt / Assessed value		N/A	3123.52%	354.08%	123.98%	81.32%	60.92%	50.83%
Senior Debt Service Coverage Ratio		N/A	N/A	N/A	N/A	77%	112%	132%

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

Debt Service Fund

	2027	2028	2029	2030	2031	2032	2033	2034
Beginning cash available	$ 715,354	$ 825,844	$ 943,225	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Revenues								
Property taxes	458,644	495,559	495,559	505,470	505,470	515,579	515,579	525,891
Specific ownership taxes	27,519	29,734	29,734	30,328	30,328	30,935	30,935	31,553
Facilities Fees								
Transfer from Capital Projects								
	486,163	525,293	525,293	535,798	535,798	546,514	546,514	557,444
Expenditures								
Debt service - Series 2020A (see Exhibit II)	359,500	391,000	390,750	395,250	394,250	403,000	406,000	413,500
Debt service - Series 2020B see (Exhibit III)	-	-	94,857	123,439	124,439	126,202	123,202	126,426
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	9,173	9,911	9,911	10,109	10,109	10,312	10,312	10,518
	375,673	407,911	502,518	535,798	535,798	546,514	546,514	557,444
Ending cash available	$ 825,844	$ 943,225	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Reserve Fund	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ 342,844	$ 460,225	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy	40.263	40.273	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	5,720,000	5,615,000	5,505,000	5,385,000	5,260,000	5,120,000	4,970,000	4,805,000
Ratio of o/s Debt / Assessed value	46.49%	45.63%	43.86%	42.90%	41.09%	39.99%	38.06%	36.80%
Senior Debt Service Coverage Ratio	131%	130%	130%	131%	132%	131%	130%	131%

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

Debt Service Fund

	2035	2036	2037	2038	2039	2040	2041	2042
Beginning cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Revenues								
Property taxes	525,891	536,409	536,409	547,137	547,137	558,080	558,080	569,241
Specific ownership taxes	31,553	32,185	32,185	32,828	32,828	33,485	33,485	34,154
Facilities Fees								
Transfer from Capital Projects								
	557,444	568,594	568,594	579,965	579,965	591,565	591,565	603,395
Expenditures								
Debt service - Series 2020A (see Exhibit II)	410,250	421,750	422,250	432,250	431,250	439,750	437,250	449,250
Debt service - Series 2020B see (Exhibit III)	129,676	129,116	128,616	129,772	130,772	133,653	136,153	135,760
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	10,518	10,728	10,728	10,943	10,943	11,162	11,162	11,385
	557,444	568,594	568,594	579,965	579,965	591,565	591,565	603,395
Ending cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Reserve Fund	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy	40.273	40.273	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	4,635,000	4,445,000	4,245,000	4,025,000	3,795,000	3,545,000	3,285,000	3,000,000
Ratio of o/s Debt / Assessed value	34.80%	33.37%	31.25%	29.63%	27.39%	25.58%	23.24%	21.22%
Senior Debt Service Coverage Ratio	132%	131%	130%	130%	130%	130%	131%	130%

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

Debt Service Fund

	2043	2044	2045	2046	2047	2048	2049	2050
Beginning cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Revenues								
Property taxes	569,241	580,626	580,626	592,238	592,238	604,083	604,083	616,165
Specific ownership taxes	34,154	34,838	34,838	35,534	35,534	36,245	36,245	36,970
Facilities Fees								
Transfer from Capital Projects								
	603,395	615,464	615,464	627,772	627,772	640,328	640,328	653,135
Expenditures								
Debt service - Series 2020A (see Exhibit II)	450,000	455,000	454,000	467,250	464,000	475,000	474,500	483,000
Debt service - Series 2020B see (Exhibit III)	135,010	141,851	142,851	141,677	144,927	146,246	146,746	1,065,751
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	11,385	11,613	11,613	11,845	11,845	12,082	12,082	12,323
	603,395	615,464	615,464	627,772	627,772	640,328	640,328	1,568,074
Ending cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 51,061
Reserve Fund	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ -
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ -
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,061
Mill Levy	40.273	40.273	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	2,700,000	2,380,000	2,045,000	1,680,000	1,300,000	890,000	460,000	-
Ratio of o/s Debt / Assessed value	18.73%	16.51%	13.91%	11.42%	8.67%	5.93%	3.01%	N/A
Senior Debt Service Coverage Ratio	130%	131%	131%	130%	131%	131%	131%	131%

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	Total	2020	2021	2022	2023	2024	2025	2026
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	-	-	-	-	-	6,542	47,824	84,253
Increases (see Exhibit IV)	163,337	-	-	-	6,542	41,150	36,430	31,708
Biennial reassessment (1% per annum)	45,740	-	-	-	-	131	-	1,685
Ending	209,076	-	-	-	6,542	47,824	84,253	117,646
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	468	3,419	6,024	8,412
Market values - finished lots (assessed as commercial)								
Beginning	-	-	-	8	641	4,045	3,433	2,929
Increase (decrease) - finished lots (see Exhibit IV)	-	-	-	641	3,404	(612)	(504)	-
Adjustment	-		8	(8)	-	-		
	-	-	8	641	4,045	3,433	2,929	2,929
Market values - Commercial (000's)								
Beginning	-	-	-	-	-	-	935	935
Increases - commercial (see Exhibit IV)	935	-	-	-	-	935		
Biennial reassessment (1% per annum)	275		-	-	-	-	-	19
	1,209	-	-	-	-	935	935	954
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		-	2	186	1,173	1,267	1,121	1,126
Total assessed valuation (000's)		-	2	186	1,641	4,686	7,145	9,538

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2027	2028	2029	2030	2031	2032	2033	2034
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	117,646	149,988	168,152	168,152	171,515	171,515	174,946	174,946
Increases (see Exhibit IV)	32,342	15,165						
Biennial reassessment (1% per annum)	-	3,000	-	3,363	-	3,430	-	3,499
Ending	149,988	168,152	168,152	171,515	171,515	174,946	174,946	178,445
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	10,724	12,023	12,023	12,263	12,263	12,509	12,509	12,759
Market values - finished lots (assessed as commercial)								
Beginning	2,929	1,347	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV)	(1,583)	(1,347)						
Adjustment								
	1,347	0	0	0	0	0	0	0
Market values - Commercial (000's)								
Beginning	954	954	973	973	992	992	1,012	1,012
Increases - commercial (see Exhibit IV)								
Biennial reassessment (1% per annum)	-	19	-	19	-	20	-	20
	954	973	973	992	992	1,012	1,012	1,032
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	667	282	282	288	288	293	293	299
Total assessed valuation (000's)	11,391	12,305	12,305	12,551	12,551	12,802	12,802	13,058

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2035	2036	2037	2038	2039	2040	2041	2042
Calculation of Assessed Valuation								
Market values - residential homes (000's)								
Beginning	178,445	178,445	182,013	182,013	185,654	185,654	189,367	189,367
Increases (see Exhibit IV)								
Biennial reassessment (1% per annum)	-	3,569	-	3,640	-	3,713	-	3,787
Ending	178,445	182,013	182,013	185,654	185,654	189,367	189,367	193,154
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	12,759	13,014	13,014	13,274	13,274	13,540	13,540	13,811
Market values - finished lots (assessed as commercial)								
Beginning	0	0	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV)								
Adjustment								
	0	0	0	0	0	0	0	0
Market values - Commercial (000's)								
Beginning	1,032	1,032	1,053	1,053	1,074	1,074	1,095	1,095
Increases - commercial (see Exhibit IV)								
Biennial reassessment (1% per annum)	-	21	-	21	-	21	-	22
	1,032	1,053	1,053	1,074	1,074	1,095	1,095	1,117
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	299	305	305	311	311	318	318	324
Total assessed valuation (000's)	13,058	13,319	13,319	13,586	13,586	13,857	13,857	14,135

Exhibit I

Northfield Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2050

	2043	2044	2045	2046	2047	2048	2049	2050
Calculation of Assessed Valuation								
Market values - residential homes (000's)								
Beginning	193,154	193,154	197,017	197,017	200,958	200,958	204,977	204,977
Increases (see Exhibit IV)								
Biennial reassessment (1% per annum)	-	3,863	-	3,940	-	4,019	-	4,100
Ending	193,154	197,017	197,017	200,958	200,958	204,977	204,977	209,076
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	13,811	14,087	14,087	14,368	14,368	14,656	14,656	14,949
Market values - finished lots (assessed as commercial)								
Beginning	0	0	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV)								
Adjustment								
	0	0	0	0	0	0	0	0
Market values - Commercial (000's)								
Beginning	1,117	1,117	1,140	1,140	1,163	1,163	1,186	1,186
Increases - commercial (see Exhibit IV)								
Biennial reassessment (1% per annum)	-	22	-	23	-	23	-	24
	1,117	1,140	1,140	1,163	1,163	1,186	1,186	1,209
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	324	331	331	337	337	344	344	351
Total assessed valuation (000's)	14,135	14,417	14,417	14,706	14,706	15,000	15,000	15,300

Exhibit II

Northfield Metropolitan District No. 2
Forecasted Schedule of General Obligation Debt - Series 2020A
For the Years Ended December 31, 2020 through 2050

Year	Principal	Coupon	Interest	Annual Total	Outstanding Balance
					5,810,000
2021			144,443		5,810,000
2021			145,250	289,693	5,810,000
2022			145,250		5,810,000
2022			145,250	290,500	5,810,000
2023			145,250		5,810,000
2023			145,250	290,500	5,810,000
2024			145,250		5,810,000
2024			145,250	290,500	5,810,000
2025			145,250		5,810,000
2025			145,250	290,500	5,810,000
2026			145,250		5,810,000
2026	20,000	5.000%	145,250	310,500	5,790,000
2027			144,750		5,790,000
2027	70,000	5.000%	144,750	359,500	5,720,000
2028			143,000		5,720,000
2028	105,000	5.000%	143,000	391,000	5,615,000
2029			140,375		5,615,000
2029	110,000	5.000%	140,375	390,750	5,505,000
2030			137,625		5,505,000
2030	120,000	5.000%	137,625	395,250	5,385,000
2031			134,625		5,385,000
2031	125,000	5.000%	134,625	394,250	5,260,000
2032			131,500		5,260,000
2032	140,000	5.000%	131,500	403,000	5,120,000
2033			128,000		5,120,000
2033	150,000	5.000%	128,000	406,000	4,970,000
2034			124,250		4,970,000
2034	165,000	5.000%	124,250	413,500	4,805,000
2035			120,125		4,805,000
2035	170,000	5.000%	120,125	410,250	4,635,000
2036			115,875		4,635,000
2036	190,000	5.000%	115,875	421,750	4,445,000
2037			111,125		4,445,000
2037	200,000	5.000%	111,125	422,250	4,245,000
2038			106,125		4,245,000
2038	220,000	5.000%	106,125	432,250	4,025,000
2039			100,625		4,025,000
2039	230,000	5.000%	100,625	431,250	3,795,000
2040			94,875		3,795,000
2040	250,000	5.000%	94,875	439,750	3,545,000
2041			88,625		3,545,000
2041	260,000	5.000%	88,625	437,250	3,285,000
2042			82,125		3,285,000
2042	285,000	5.000%	82,125	449,250	3,000,000
2043			75,000		3,000,000
2043	300,000	5.000%	75,000	450,000	2,700,000
2044			67,500		2,700,000
2044	320,000	5.000%	67,500	455,000	2,380,000
2045			59,500		2,380,000
2045	335,000	5.000%	59,500	454,000	2,045,000
2046			51,125		2,045,000
2046	365,000	5.000%	51,125	467,250	1,680,000

Exhibit II

Northfield Metropolitan District No. 2
Forecasted Schedule of General Obligation Debt - Series 2020A
For the Years Ended December 31, 2020 through 2050

Year	Principal	Coupon	Interest	Annual Total	Outstanding Balance
2047			42,000		1,680,000
2047	380,000	5.000%	42,000	464,000	1,300,000
2048			32,500		1,300,000
2048	410,000	5.000%	32,500	475,000	890,000
2049			22,250		890,000
2049	430,000	5.000%	22,250	474,500	460,000
2050			11,500		460,000
2050	460,000	5.000%	11,500	483,000	-
	5,810,000		6,272,193	12,082,193	

Exhibit III

Northfield Metropolitan District No. 2
Forecasted Schedule of Subordinate General Obligation Debt - Series 2020B
For the Years Ended December 31, 2020 through 2050

	Funds Available	7.50% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/2/2020							865,000
12/15/2021	-	67,218	-	-	67,218	-	865,000
12/15/2022	-	69,916	-	-	137,134	-	865,000
12/15/2023	-	75,160	-	-	212,294	-	865,000
12/15/2024	-	80,797	-	-	293,091	-	865,000
12/15/2025	-	86,857	-	-	379,948	-	865,000
12/15/2026	-	93,371	-	-	473,319	-	865,000
12/15/2027	-	100,374	-	-	573,693	-	865,000
12/15/2028	-	107,902	-	-	681,595	-	865,000
12/15/2029	94,857	115,995	-	94,857	702,733	94,857	865,000
12/15/2030	123,439	117,580	-	123,439	696,874	123,439	865,000
12/15/2031	124,439	117,141	-	124,439	689,575	124,439	865,000
12/15/2032	126,202	116,593	-	126,202	679,967	126,202	865,000
12/15/2033	123,202	115,872	-	123,202	672,637	123,202	865,000
12/15/2034	126,426	115,323	-	126,426	661,534	126,426	865,000
12/15/2035	129,676	114,490	-	129,676	646,347	129,676	865,000
12/15/2036	129,116	113,351	-	129,116	630,583	129,116	865,000
12/15/2037	128,616	112,169	-	128,616	614,136	128,616	865,000
12/15/2038	129,772	110,935	-	129,772	595,299	129,772	865,000
12/15/2039	130,772	109,522	-	130,772	574,049	130,772	865,000
12/15/2040	133,653	107,929	-	133,653	548,325	133,653	865,000
12/15/2041	136,153	105,999	-	136,153	518,171	136,153	865,000
12/15/2042	135,760	103,738	-	135,760	486,149	135,760	865,000
12/15/2043	135,010	101,336	-	135,010	452,475	135,010	865,000
12/15/2044	141,851	98,811	-	141,851	409,435	141,851	865,000
12/15/2045	142,851	95,583	-	142,851	362,167	142,851	865,000
12/15/2046	141,677	92,037	-	141,677	312,527	141,677	865,000
12/15/2047	144,927	88,315	-	144,927	255,914	144,927	865,000
12/15/2048	146,246	84,069	-	146,246	193,737	146,246	865,000
12/15/2049	146,746	79,405	-	146,746	126,396	146,746	865,000
12/15/2050	1,116,812	74,355	865,000	200,751	-	1,065,751	-
		2,972,142	865,000	2,972,142		3,837,142	

Northfield Metropolitan District No. 2
Forecasted Schedules of Absorption,
Facilities Fees and Market Values
For the Years Ended December 31, 2019 through 2026

Schedule of Absorption

Property Description	Prior Years	2019	2020	2021	2022	2023	2024	2025	2026	Total
Units Absorbed										
Residential										
Dream Finders Homes - Brownstone Townhomes				8	32	33	33	33		139
Landmark Homes - Discovery Series Condos				4	20	16				40
Landmark Homes - Discovery Series Townhomes				4	12					16
Landmark Homes - Condominium Flats					36	36	36	36	36	180
Affordable Apartments					2					2
		-	-	16	102	85	69	69	36	377
Commercial (square feet)										
Retail		-			2,679					2,679
	-	-	-	-	2,679	-	-	-	-	2,679
Finished Lots										
Residential										
Dream Finders Homes - Brownstone Townhomes		-	8	24	1	-	-	(33)	-	-
Landmark Homes - Discovery Series Condos		-	4	16	(4)	(16)	-	-	-	-
Landmark Homes - Discovery Series Townhomes		-	4	8	(12)	-	-	-	-	-
Landmark Homes - Condominium Flats		-	-	36	-	-	-	-	(36)	-
Affordable Apartments		-	-	2	(2)	-	-	-	-	-
	-	-	16	86	(17)	(16)	-	(33)	(36)	-
Finished Lots										
Commercial (square feet)										
Retail	-	-	-	2,679	(2,679)	-	-	-	-	-
	-	-	-	2,679	(2,679)	-	-	-	-	-

Northfield Metropolitan District No. 2
Forecasted Schedules of Absorption,
Facilities Fees and Market Values
For the Years Ended December 31, 2019 through 2026

Schedule of Facilities Fees

		2019	2020	2021	2022	2023	2024	2025	2026	Total
Residential										
Dream Finders Homes - Brownstone Townhomes	$ 500	-	-	4,000	16,000	16,500	16,500	16,500	-	69,500
Landmark Homes - Discovery Series Condos	$ 500	-	-	2,000	10,000	8,000	-	-	-	20,000
Landmark Homes - Discovery Series Townhomes	$ 500	-	-	2,000	6,000	-	-	-	-	8,000
Landmark Homes - Condominium Flats	$ 500	-	-	-	18,000	18,000	18,000	18,000	18,000	90,000
Affordable Apartments	$ 500	-	-	-	1,000	-	-	-	-	1,000
Commercial										-
Retail	$ -	-	-	-	-	-	-	-	-	-
		-	-	8,000	51,000	42,500	34,500	34,500	18,000	188,500

Schedule of Market Values

	Market Value	2019	2020	2021	2022	2023	2024	2025	2026	Total
Residential										
Dream Finders Homes - Brownstone Townhomes	479,620	-	-	3,913,699	15,967,893	16,796,227	17,132,152	17,474,795	-	71,284,766
Landmark Homes - Discovery Series Condos	314,706	-	-	1,284,000	6,548,402	5,343,496	-	-	-	13,175,899
Landmark Homes - Discovery Series Townhomes	329,570	-	-	1,344,646	4,114,616	-	-	-	-	5,459,261
Landmark Homes - Condominium Flats	374,046	-	-	-	14,009,669	14,289,862	14,575,659	14,867,172	15,164,516	72,906,878
Affordable Apartments	245,000	-	-	-	509,796	-	-	-	-	509,796
		-	-	6,542,345	41,150,375	36,429,585	31,707,811	32,341,967	15,164,516	163,336,600
Commercial										
Retail	335	-	-	-	934,977	-	-	-	-	934,977
		-	-	-	934,977	-	-	-	-	934,977
Finished Lots										
Residential										
Dream Finders Homes - Brownstone Townhomes	-	-	383,696	1,151,088	47,962	-	-	(1,582,746)	-	-
Landmark Homes - Discovery Series Condos	-	-	125,882	503,530	(125,882)	(503,530)	-	-	-	-
Landmark Homes - Discovery Series Townhomes	-	-	131,828	263,656	(395,484)	-	-	-	-	-
Landmark Homes - Condominium Flats	-	-	-	1,346,566	-	-	-	-	(1,346,566)	-
Affordable Apartments	-	-	-	49,000	(49,000)	-	-	-	-	-
Commercial										
Retail	-	-	-	89,867	(89,867)	-	-	-	-	-
	-	-	641,406	3,403,706	(612,271)	(503,530)	-	(1,582,746)	(1,346,566)	-

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Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	Total	2020	2021	2022	2023	2024	2025	2026
General Fund								
Revenues								
Property taxes	5,575,077	-	33	1,395	12,329	36,590	60,276	82,152
Less County treasurer fees	(111,502)	-	(1)	(28)	(247)	(732)	(1,206)	(1,643)
Specific ownership taxes	334,505	-	2	84	740	2,195	3,617	4,929
Less available for Regional Mill Levy	(1,328,975)	-	(11)	(484)	(4,274)	(12,684)	(20,894)	(28,477)
Available for Operations	4,469,105	-	23	967	8,548	25,370	41,792	56,961
Mill Levy		0.000	10.000	10.000	10.019	10.049	10.055	10.059
Regional Mill Levy		0.000	5.000	5.000	5.009	5.024	5.027	5.029
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A	5,810,000	5,810,000						
Original Issue Discount	(44,679)	(44,679)						
Bond proceeds - Series 2020B	865,000	865,000						
	6,630,321	6,630,321	-	-	-	-	-	-
Expenditures								
Issuance costs	393,044	393,044			-			
Transfer to Debt Service Fund	1,353,693	1,353,693	-		-			
Available for improvements	4,883,584	4,883,584			-			
	6,630,321	6,630,321	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2027	2028	2029	2030	2031	2032	2033	2034
General Fund								
Revenues								
Property taxes	102,365	123,349	141,822	163,365	179,035	191,418	197,534	201,484
Less County treasurer fees	(2,047)	(2,467)	(2,836)	(3,267)	(3,581)	(3,828)	(3,951)	(4,030)
Specific ownership taxes	6,142	7,401	8,509	9,802	10,742	11,485	11,852	12,089
Less available for Regional Mill Levy	(35,487)	(42,758)	(49,165)	(56,630)	(62,061)	(66,354)	(68,478)	(69,848)
Available for Operations	70,973	85,525	98,330	113,270	124,135	132,721	136,957	139,695
Mill Levy	10.062	10.063	10.064	10.065	10.067	10.067	10.068	10.068
Regional Mill Levy	5.031	5.031	5.032	5.032	5.033	5.033	5.034	5.034
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2035	2036	2037	2038	2039	2040	2041	2042
General Fund								
Revenues								
Property taxes	201,484	205,514	205,514	209,624	209,624	213,817	213,817	218,093
Less County treasurer fees	(4,030)	(4,110)	(4,110)	(4,192)	(4,192)	(4,276)	(4,276)	(4,362)
Specific ownership taxes	12,089	12,331	12,331	12,577	12,577	12,829	12,829	13,086
Less available for Regional Mill Levy	(69,848)	(71,245)	(71,245)	(72,670)	(72,670)	(74,123)	(74,123)	(75,606)
Available for Operations	139,695	142,490	142,490	145,340	145,340	148,247	148,247	151,211
Mill Levy	10.068	10.068	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy	5.034	5.034	5.034	5.034	5.034	5.034	5.034	5.034
Capital Project Fund								
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2043	2044	2045	2046	2047	2048	2049	2050
				General Fund				
Revenues								
Property taxes	218,093	222,455	222,455	151,270	151,270	154,295	154,295	157,381
Less County treasurer fees	(4,362)	(4,449)	(4,449)	(3,025)	(3,025)	(3,086)	(3,086)	(3,148)
Specific ownership taxes	13,086	13,347	13,347	9,076	9,076	9,258	9,258	9,443
Less available for Regional Mill Levy	(75,606)	(77,118)	(77,118)	-	-	-	-	-
Available for Operations	151,211	154,236	154,236	157,321	157,321	160,467	160,467	163,676
Mill Levy	10.068	10.068	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy	5.034	5.034	5.034					
				Capital Project Fund				
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues								
Bond proceeds - Series 2020A								
Original Issue Discount								
Bond proceeds - Series 2020B								
	-	-	-	-	-	-	-	-
Expenditures								
Issuance costs								
Transfer to Debt Service Fund								
Available for improvements								
	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2051	2052	2053	2054	2055	2056
				General Fund		
Revenues						
Property taxes	157,381	160,528	160,528	163,739	163,739	167,014
Less County treasurer fees	(3,148)	(3,211)	(3,211)	(3,275)	(3,275)	(3,340)
Specific ownership taxes	9,443	9,632	9,632	9,824	9,824	10,021
Less available for Regional Mill Levy	-	-	-	-	-	-
Available for Operations	163,676	166,949	166,949	170,288	170,288	173,695
Mill Levy	10.068	10.068	10.068	10.068	10.068	10.068
Regional Mill Levy						
				Capital Project Fund		
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -
Revenues						
Bond proceeds - Series 2020A						
Original Issue Discount						
Bond proceeds - Series 2020B						
	-	-	-	-	-	-
Expenditures						
Issuance costs						
Transfer to Debt Service Fund						
Available for improvements						
	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

Debt Service Fund

	Total	2020	2021	2022	2023	2024	2025	2026
Beginning cash available	$ -	$ -	$ 1,353,693	$ 1,068,092	$ 799,969	$ 561,666	$ 388,148	$ 279,332
Revenues								
Property taxes	17,189,327	-	89	3,728	32,882	97,579	160,754	219,096
Specific ownership taxes	1,031,360	-	5	224	1,973	5,855	9,645	13,146
Facilities Fees	188,500	-	4,000	25,500	25,000	22,500	21,500	19,500
Transfer from Capital Projects	1,353,693	1,353,693		-		-		
	19,762,880	1,353,693	4,094	29,452	59,855	125,934	191,899	251,742
Expenditures								
Debt service - Series 2020A (see Exhibit II-A)	12,082,193	-	289,693	290,500	290,500	290,500	290,500	310,500
Debt service - Series 2020B see (Exhibit III-A)	7,109,018	-	-	-	-	-	-	-
Paying agent / trustee fees	221,000	-	-	7,000	7,000	7,000	7,000	7,000
County treasurer fees	343,787	-	2	75	658	1,952	3,215	4,382
	19,755,998	-	289,695	297,575	298,158	299,452	300,715	321,882
Ending cash available	$ 6,882	$ 1,353,693	$ 1,068,092	$ 799,969	$ 561,666	$ 388,148	$ 279,332	$ 209,192
Reserve Fund		$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 388,148	$ 279,332	$ 209,192
Capitalized Interest Fund		$ 870,693	$ 581,000	$ 290,500	$ -	$ -	$ -	
Surplus Fund - ($483,000 maximum)		$ -	$ 4,092	$ 26,469	$ 78,666	$ -	$ -	$ -
Excess Revenues		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy		-	40.000	40.000	40.079	40.197	40.223	40.239
Outstanding Debt - Series 2020A		5,810,000	5,810,000	5,810,000	5,810,000	5,810,000	5,810,000	5,790,000
Ratio of o/s Debt / Assessed value		N/A	6247.05%	708.16%	239.34%	145.38%	106.71%	85.37%
Senior Debt Service Coverage Ratio		N/A	N/A	N/A	N/A	40%	63%	77%

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

Debt Service Fund

	2027	2028	2029	2030	2031	2032	2033	2034
Beginning cash available	$ 209,192	$ 144,084	$ 105,710	$ 118,801	$ 178,644	$ 282,934	$ 403,817	$ 538,658
Revenues								
Property taxes	272,973	328,967	378,212	435,666	477,443	510,464	526,770	537,305
Specific ownership taxes	16,378	19,738	22,693	26,140	28,647	30,628	31,606	32,238
Facilities Fees	17,500	17,500	17,500	9,000	9,000			
Transfer from Capital Projects								
	306,851	366,205	418,405	470,806	515,090	541,092	558,376	569,543
Expenditures								
Debt service - Series 2020A (see Exhibit II-A)	359,500	391,000	390,750	395,250	394,250	403,000	406,000	413,500
Debt service - Series 2020B see (Exhibit III-A)	-	-	-	-	-	-	-	-
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	5,459	6,579	7,564	8,713	9,549	10,209	10,535	10,746
	371,959	404,579	405,314	410,963	410,799	420,209	423,535	431,246
Ending cash available	$ 144,084	$ 105,710	$ 118,801	$ 178,644	$ 282,934	$ 403,817	$ 538,658	$ 676,956
Reserve Fund	$ 144,084	$ 105,710	$ 118,801	$ 178,644	$ 282,934	$ 403,817	$ 483,000	$ 483,000
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ -	$ -	$ -	$ -	$ 0	$ -	$ 55,658	$ 193,956
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy	40.248	40.255	40.258	40.261	40.268	40.268	40.273	40.273
Outstanding Debt - Series 2020A	5,720,000	5,615,000	5,505,000	5,385,000	5,260,000	5,120,000	4,970,000	4,805,000
Ratio of o/s Debt / Assessed value	69.99%	59.77%	50.87%	45.42%	41.49%	39.14%	37.25%	36.02%
Senior Debt Service Coverage Ratio	82%	90%	103%	115%	126%	130%	133%	133%

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

Debt Service Fund

	2035	2036	2037	2038	2039	2040	2041	2042
Beginning cash available	$ 676,956	$ 818,503	$ 959,726	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Revenues								
Property taxes	537,305	548,051	548,051	559,012	559,012	570,193	570,193	581,597
Specific ownership taxes	32,238	32,883	32,883	33,541	33,541	34,212	34,212	34,896
Facilities Fees								
Transfer from Capital Projects								
	569,543	580,934	580,934	592,553	592,553	604,405	604,405	616,493
Expenditures								
Debt service - Series 2020A (see Exhibit II-A)	410,250	421,750	422,250	432,250	431,250	439,750	437,250	449,250
Debt service - Series 2020B see (Exhibit III-A)	-	-	134,449	142,123	143,123	146,251	148,751	148,611
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	10,746	10,961	10,961	11,180	11,180	11,404	11,404	11,632
	427,996	439,711	574,660	592,553	592,553	604,405	604,405	616,493
Ending cash available	$ 818,503	$ 959,726	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Reserve Fund	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ 335,503	$ 476,726	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy	40.273	40.273	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	4,635,000	4,445,000	4,245,000	4,025,000	3,795,000	3,545,000	3,285,000	3,000,000
Ratio of o/s Debt / Assessed value	34.06%	32.66%	30.58%	29.00%	26.80%	25.04%	22.75%	20.77%
Senior Debt Service Coverage Ratio	135%	133%	133%	133%	133%	133%	134%	133%

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

Debt Service Fund

	2043	2044	2045	2046	2047	2048	2049	2050
Beginning cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000
Revenues								
Property taxes	581,597	593,229	593,229	605,093	605,093	617,195	617,195	629,539
Specific ownership taxes	34,896	35,594	35,594	36,306	36,306	37,032	37,032	37,772
Facilities Fees								
Transfer from Capital Projects								
	616,493	628,823	628,823	641,399	641,399	654,227	654,227	667,311
Expenditures								
Debt service - Series 2020A (see Exhibit II-A)	450,000	455,000	454,000	467,250	464,000	475,000	474,500	483,000
Debt service - Series 2020B see (Exhibit III-A)	147,861	154,958	155,958	155,047	158,297	159,883	160,383	1,130,720
Paying agent / trustee fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
County treasurer fees	11,632	11,865	11,865	12,102	12,102	12,344	12,344	12,591
	616,493	628,823	628,823	641,399	641,399	654,227	654,227	1,633,311
Ending cash available	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ 966,000	$ -
Reserve Fund	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ -
Capitalized Interest Fund								
Surplus Fund - ($483,000 maximum)	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	$ 483,000	
Excess Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy	40.273	40.273	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	2,700,000	2,380,000	2,045,000	1,680,000	1,300,000	890,000	460,000	-
Ratio of o/s Debt / Assessed value	18.33%	16.16%	13.61%	11.18%	8.48%	5.81%	2.94%	N/A
Senior Debt Service Coverage Ratio	133%	134%	134%	133%	134%	134%	134%	134%

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

Debt Service Fund

	2051	2052	2053	2054	2055	2056
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ 937
Revenues						
Property taxes	629,539	642,130	642,130	654,972	654,972	668,072
Specific ownership taxes	37,772	38,528	38,528	39,298	39,298	40,084
Facilities Fees						
Transfer from Capital Projects						
	667,311	680,658	680,658	694,270	694,270	708,156
Expenditures						
Debt service - Series 2020A (see Exhibit II-A)	-	-	-	-	-	-
Debt service - Series 2020B see (Exhibit III-A)	651,720	664,815	664,815	678,171	677,235	685,850
Paying agent / trustee fees	3,000	3,000	3,000	3,000	3,000	3,000
County treasurer fees	12,591	12,843	12,843	13,099	13,099	13,361
	667,311	680,658	680,658	694,270	693,334	702,211
Ending cash available	$ -	$ -	$ -	$ -	$ 937	$ 6,882
Reserve Fund	$ -	$ -	$ -	$ -	$ -	$ -
Capitalized Interest Fund						
Surplus Fund - ($483,000 maximum)						
Excess Revenues	$ -	$ -	$ -	$ -	$ 937	$ 6,882
Mill Levy	40.273	40.273	40.273	40.273	40.273	40.273
Outstanding Debt - Series 2020A	-	-	-	-	-	-
Ratio of o/s Debt / Assessed value	N/A	N/A	N/A	N/A	N/A	N/A
Senior Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	Total	2020	2021	2022	2023	2024	2025	2026
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	-	-	-	-	-	3,271	23,912	44,740
Increases (see Exhibit IV-A)	170,535	-	-	-	3,271	20,575	20,828	19,552
Biennial reassessment (1% per annum)	56,216	-	-	-	-	65	-	895
Ending	226,750	-	-	-	3,271	23,912	44,740	65,186
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	234	1,710	3,199	4,661
Market values - finished lots (assessed as commercial)								
Beginning	-	-	-	8	321	2,023	2,008	1,806
Increase (decrease) - finished lots (see Exhibit IV-A)	-	-	-	321	1,702	(15)	(201)	(66)
Adjustment	-		8	(8)	-	-		
	-	-	8	321	2,023	2,008	1,806	1,740
Market values - Commercial (000's)								
Beginning	-	-	-	-	-	-	468	944
Increases - commercial (see Exhibit IV-A)	944	-	-	-	-	468	477	
Biennial reassessment (1% per annum)	352		-	-	-	-	-	19
	1,296	-	-	-	-	468	944	963
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		-	2	93	587	718	798	784
Total assessed valuation (000's)		-	2	93	820	2,428	3,997	5,445

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2027	2028	2029	2030	2031	2032	2033	2034
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	65,186	84,402	104,272	121,372	141,241	159,032	170,419	178,791
Increases (see Exhibit IV-A)	19,215	18,182	17,100	17,442	17,791	8,207	8,371	
Biennial reassessment (1% per annum)	-	1,688	-	2,427	-	3,181	-	3,576
Ending	84,402	104,272	121,372	141,241	159,032	170,419	178,791	182,367
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	6,035	7,455	8,678	10,099	11,371	12,185	12,784	13,039
Market values - finished lots (assessed as commercial)								
Beginning	1,740	1,615	1,489	1,489	1,489	673	673	0
Increase (decrease) - finished lots (see Exhibit IV-A)	(126)	(126)	-	-	(815)	-	(673)	
Adjustment								
	1,615	1,489	1,489	1,489	673	673	0	0
Market values - Commercial (000's)								
Beginning	963	963	982	982	1,002	1,002	1,022	1,022
Increases - commercial (see Exhibit IV-A)								
Biennial reassessment (1% per annum)	-	19	-	20	-	20	-	20
	963	982	982	1,002	1,002	1,022	1,022	1,043
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	748	717	717	722	486	492	296	302
Total assessed valuation (000's)	6,782	8,172	9,395	10,821	11,857	12,677	13,080	13,342

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2035	2036	2037	2038	2039	2040	2041	2042
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	182,367	182,367	186,014	186,014	189,734	189,734	193,529	193,529
Increases (see Exhibit IV-A)								
Biennial reassessment (1% per annum)	-	3,647	-	3,720	-	3,795	-	3,871
Ending	182,367	186,014	186,014	189,734	189,734	193,529	193,529	197,400
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	13,039	13,300	13,300	13,566	13,566	13,837	13,837	14,114
Market values - finished lots (assessed as commercial)								
Beginning	0	0	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV-A)								
Adjustment								
	0	0	0	0	0	0	0	0
Market values - Commercial (000's)								
Beginning	1,043	1,043	1,063	1,063	1,085	1,085	1,106	1,106
Increases - commercial (see Exhibit IV-A)								
Biennial reassessment (1% per annum)	-	21	-	21	-	22	-	22
	1,043	1,063	1,063	1,085	1,085	1,106	1,106	1,129
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	302	308	308	315	315	321	321	327
Total assessed valuation (000's)	13,342	13,608	13,608	13,881	13,881	14,158	14,158	14,441

Exhibit I-A

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2043	2044	2045	2046	2047	2048	2049	2050
			Calculation of Assessed Valuation					
Market values - residential homes (000's)								
Beginning	197,400	197,400	201,348	201,348	205,375	205,375	209,482	209,482
Increases (see Exhibit IV-A)								
Biennial reassessment (1% per annum)	-	3,948	-	4,027	-	4,107	-	4,190
Ending	197,400	201,348	201,348	205,375	205,375	209,482	209,482	213,672
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	14,114	14,396	14,396	14,684	14,684	14,978	14,978	15,278
Market values - finished lots (assessed as commercial)								
Beginning	0	0	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV-A)								
Adjustment								
	0	0	0	0	0	0	0	0
Market values - Commercial (000's)								
Beginning	1,129	1,129	1,151	1,151	1,174	1,174	1,198	1,198
Increases - commercial (see Exhibit IV-A)								
Biennial reassessment (1% per annum)	-	23	-	23	-	23	-	24
	1,129	1,151	1,151	1,174	1,174	1,198	1,198	1,222
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	327	334	334	341	341	347	347	354
Total assessed valuation (000's)	14,441	14,730	14,730	15,025	15,025	15,325	15,325	15,632

Northfield Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2020 through 2056

	2051	2052	2053	2054	2055	2056
			Calculation of Assessed Valuation			
Market values - residential homes (000's)						
Beginning	213,672	213,672	217,945	217,945	222,304	222,304
Increases (see Exhibit IV-A)						
Biennial reassessment (1% per annum)	-	4,273	-	4,359	-	4,446
Ending	213,672	217,945	217,945	222,304	222,304	226,750
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	15,278	15,583	15,583	15,895	15,895	16,213
Market values - finished lots (assessed as commercial)						
Beginning	0	0	0	0	0	0
Increase (decrease) - finished lots (see Exhibit IV-A)						
Adjustment						
	0	0	0	0	0	0
Market values - Commercial (000's)						
Beginning	1,222	1,222	1,246	1,246	1,271	1,271
Increases - commercial (see Exhibit IV-A)						
Biennial reassessment (1% per annum)	-	24	-	25	-	25
	1,222	1,246	1,246	1,271	1,271	1,296
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	354	361	361	369	369	376
Total assessed valuation (000's)	15,632	15,944	15,944	16,263	16,263	16,589

Northfield Metropolitan District No. 2
Projected Schedule of General Obligation Debt - Series 2020A
For the Years Ended December 31, 2020 through 2050

Year	Principal	Coupon	Interest	Annual Total	Outstanding Balance
					5,810,000
2021			144,443		5,810,000
2021			145,250	289,693	5,810,000
2022			145,250		5,810,000
2022			145,250	290,500	5,810,000
2023			145,250		5,810,000
2023			145,250	290,500	5,810,000
2024			145,250		5,810,000
2024			145,250	290,500	5,810,000
2025			145,250		5,810,000
2025			145,250	290,500	5,810,000
2026			145,250		5,810,000
2026	20,000	5.000%	145,250	310,500	5,790,000
2027			144,750		5,790,000
2027	70,000	5.000%	144,750	359,500	5,720,000
2028			143,000		5,720,000
2028	105,000	5.000%	143,000	391,000	5,615,000
2029			140,375		5,615,000
2029	110,000	5.000%	140,375	390,750	5,505,000
2030			137,625		5,505,000
2030	120,000	5.000%	137,625	395,250	5,385,000
2031			134,625		5,385,000
2031	125,000	5.000%	134,625	394,250	5,260,000
2032			131,500		5,260,000
2032	140,000	5.000%	131,500	403,000	5,120,000
2033			128,000		5,120,000
2033	150,000	5.000%	128,000	406,000	4,970,000
2034			124,250		4,970,000
2034	165,000	5.000%	124,250	413,500	4,805,000
2035			120,125		4,805,000
2035	170,000	5.000%	120,125	410,250	4,635,000
2036			115,875		4,635,000
2036	190,000	5.000%	115,875	421,750	4,445,000
2037			111,125		4,445,000
2037	200,000	5.000%	111,125	422,250	4,245,000
2038			106,125		4,245,000
2038	220,000	5.000%	106,125	432,250	4,025,000
2039			100,625		4,025,000
2039	230,000	5.000%	100,625	431,250	3,795,000
2040			94,875		3,795,000
2040	250,000	5.000%	94,875	439,750	3,545,000
2041			88,625		3,545,000
2041	260,000	5.000%	88,625	437,250	3,285,000
2042			82,125		3,285,000
2042	285,000	5.000%	82,125	449,250	3,000,000
2043			75,000		3,000,000
2043	300,000	5.000%	75,000	450,000	2,700,000
2044			67,500		2,700,000
2044	320,000	5.000%	67,500	455,000	2,380,000
2045			59,500		2,380,000
2045	335,000	5.000%	59,500	454,000	2,045,000
2046			51,125		2,045,000
2046	365,000	5.000%	51,125	467,250	1,680,000

Northfield Metropolitan District No. 2
Projected Schedule of General Obligation Debt - Series 2020A
For the Years Ended December 31, 2020 through 2050

Year	Principal	Coupon	Interest	Annual Total	Outstanding Balance
2047			42,000		1,680,000
2047	380,000	5.000%	42,000	464,000	1,300,000
2048			32,500		1,300,000
2048	410,000	5.000%	32,500	475,000	890,000
2049			22,250		890,000
2049	430,000	5.000%	22,250	474,500	460,000
2050			11,500		460,000
2050	460,000	5.000%	11,500	483,000	-
	5,810,000		6,272,193	12,082,193	

Exhibit III-A

Northfield Metropolitan District No. 2
Projected Schedule of Subordinate General Obligation Debt - Series 2020B
For the Years Ended December 31, 2020 through 2056

	Funds Available	7.50% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/2/2020							865,000
12/15/2021	-	67,218	-	-	67,218	-	865,000
12/15/2022	-	69,916	-	-	137,134	-	865,000
12/15/2023	-	75,160	-	-	212,294	-	865,000
12/15/2024	-	80,797	-	-	293,091	-	865,000
12/15/2025	-	86,857	-	-	379,948	-	865,000
12/15/2026	-	93,371	-	-	473,319	-	865,000
12/15/2027	-	100,374	-	-	573,693	-	865,000
12/15/2028	-	107,902	-	-	681,595	-	865,000
12/15/2029	-	115,995	-	-	797,590	-	865,000
12/15/2030	-	124,694	-	-	922,284	-	865,000
12/15/2031	-	134,046	-	-	1,056,330	-	865,000
12/15/2032	-	144,100	-	-	1,200,430	-	865,000
12/15/2033	-	154,907	-	-	1,355,337	-	865,000
12/15/2034	-	166,525	-	-	1,521,862	-	865,000
12/15/2035	-	179,015	-	-	1,700,877	-	865,000
12/15/2036	-	192,441	-	-	1,893,318	-	865,000
12/15/2037	134,449	206,874	-	134,449	1,965,743	134,449	865,000
12/15/2038	142,123	212,306	-	142,123	2,035,926	142,123	865,000
12/15/2039	143,123	217,569	-	143,123	2,110,372	143,123	865,000
12/15/2040	146,251	223,153	-	146,251	2,187,275	146,251	865,000
12/15/2041	148,751	228,921	-	148,751	2,267,445	148,751	865,000
12/15/2042	148,611	234,933	-	148,611	2,353,767	148,611	865,000
12/15/2043	147,861	241,408	-	147,861	2,447,314	147,861	865,000
12/15/2044	154,958	248,424	-	154,958	2,540,780	154,958	865,000
12/15/2045	155,958	255,433	-	155,958	2,640,256	155,958	865,000
12/15/2046	155,047	262,894	-	155,047	2,748,103	155,047	865,000
12/15/2047	158,297	270,983	-	158,297	2,860,789	158,297	865,000
12/15/2048	159,883	279,434	-	159,883	2,980,341	159,883	865,000
12/15/2049	160,383	288,401	-	160,383	3,108,359	160,383	865,000
12/15/2050	1,130,720	298,002	-	1,130,720	2,275,640	1,130,720	865,000
12/15/2051	651,720	235,548	-	651,720	1,859,468	651,720	865,000
12/15/2052	664,815	204,335	-	664,815	1,398,988	664,815	865,000
12/15/2053	664,815	169,799	-	664,815	903,972	664,815	865,000
12/15/2054	678,171	132,673	-	678,171	358,474	678,171	865,000
12/15/2055	678,171	91,761	227,000	450,235	-	677,235	638,000
12/15/2056	692,732	47,850	638,000	47,850	-	685,850	-
		6,244,018	865,000	6,244,018		7,109,018	

Northfield Metropolitan District No. 2
Projected Schedules of Absorption,
Facilities Fees and Market Values
For the Years Ended December 31, 2019 through 2031

Schedule of Absorption

Property Description	Prior Years	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Units Absorbed															
Residential															
Dream Finders Homes - Brownstone Townhomes				4	16	17	17	17	17	17	17	17			139
Landmark Homes - Discovery Series Condos				2	10	8	8	8	4						40
Landmark Homes - Discovery Series Townhomes				2	6	6	2								16
Landmark Homes - Condominium Flats					18	18	18	18	18	18	18	18	18	18	180
Affordable Apartments					1	1									2
		-	-	8	51	50	45	43	39	35					377
Commercial (square feet)															
Retail		-			1,340	1,339									2,679
	-	-	-	-	1,340	1,339	-	-	-	-					2,679
Finished Lots															
Residential															
Dream Finders Homes - Brownstone Townhomes		-	4	12	1	-	-	-	-	-	-	(17)	-	-	-
Landmark Homes - Discovery Series Condos		-	2	8	(2)	-	-	(4)	(4)	-	-	-	-	-	-
Landmark Homes - Discovery Series Townhomes		-	2	4	-	(4)	(2)	-	-	-	-	-	-	-	-
Landmark Homes - Condominium Flats		-	-	18	-	-	-	-	-	-	-	-	-	(18)	-
Affordable Apartments		-	-	1	-	(1)	-	-	-	-	-	-	-	-	-
	-	-	8	43	(1)	(5)	(2)	(4)	(4)	-	-	(17)	-	(18)	-
Finished Lots															
Commercial (square feet)															
Retail	-	-	-	1,340	(1)	(1,339)	-	-	-	-	-	-	-	-	-
	-	-	-	1,340	(1)	(1,339)	-	-	-	-					-

Schedule of Facilities Fees

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Residential															
Dream Finders Homes - Brownstone Townhomes	$ 500	-	-	2,000	8,000	8,500	8,500	8,500	8,500	8,500	8,500	8,500	-	-	69,500
Landmark Homes - Discovery Series Condos	$ 500	-	-	1,000	5,000	4,000	4,000	4,000	2,000	-	-	-	-	-	20,000
Landmark Homes - Discovery Series Townhomes	$ 500	-	-	1,000	3,000	3,000	1,000	-	-	-	-	-	-	-	8,000
Landmark Homes - Condominium Flats	$ 500	-	-	-	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	90,000
Affordable Apartments	$ 500	-	-	-	500	500	-	-	-	-	-	-	-	-	1,000
Commercial															-
Retail	$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	4,000	25,500	25,000	22,500	21,500	19,500	17,500	17,500	17,500	9,000	9,000	188,500

Northfield Metropolitan District No. 2
Projected Schedules of Absorption,
Facilities Fees and Market Values
For the Years Ended December 31, 2019 through 2031

Schedule of Market Values

	Market Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Residential															
Dream Finders Homes - Brownstone Townhomes	479,620	-	-	1,956,850	7,983,946	8,652,602	8,825,654	9,002,167	9,182,210	9,365,855	9,553,172	9,744,235	-	-	74,266,690
Landmark Homes - Discovery Series Condos	314,706	-	-	642,000	3,274,201	2,671,748	2,725,183	2,779,687	1,417,640	-	-	-	-	-	13,510,460
Landmark Homes - Discovery Series Townhomes	329,570	-	-	672,323	2,057,308	2,098,454	713,474	-	-	-	-	-	-	-	5,541,559
Landmark Homes - Condominium Flats	374,046	-	-	-	7,004,834	7,144,931	7,287,830	7,433,586	7,582,258	7,733,903	7,888,581	8,046,353	8,207,280	8,371,425	76,700,981
Affordable Apartments	245,000	-	-	-	254,898	259,996	-	-	-	-	-	-	-	-	514,894
		-	-	3,271,173	20,575,188	20,827,731	19,552,141	19,215,440	18,182,108	17,099,758	17,441,753	17,790,588	8,207,280	8,371,425	170,534,584
Commercial															
Retail	335	-	-	-	467,663	476,660	-	-	-	-	-	-	-	-	944,323
		-	-	-	467,663	476,660	-	-	-	-	-	-	-	-	944,323
Finished Lots															
Residential															
Dream Finders Homes - Brownstone Townhomes	-	-	191,848	575,544	47,962	-	-	-	-	-	-	(815,354)	-	-	-
Landmark Homes - Discovery Series Condos	-	-	62,941	251,765	(62,941)	-	-	(125,882)	(125,882)	-	-	-	-	-	-
Landmark Homes - Discovery Series Townhomes	-	-	65,914	131,828	-	(131,828)	(65,914)	-	-	-	-	-	-	-	-
Landmark Homes - Condominium Flats	-	-	-	673,283	-	-	-	-	-	-	-	-	-	(673,283)	-
Affordable Apartments	-	-	-	24,500	-	(24,500)	-	-	-	-	-	-	-	-	-
Commercial															-
Retail	-	-	-	44,950	(34)	(44,917)	-	-	-	-	-	-	-	-	0
	-	-	320,703	1,701,870	(15,013)	(201,245)	(65,914)	(125,882)	(125,882)	-	-	(815,354)	-	(673,283)	0

APPENDIX B

SELECTED DEFINITIONS

"*Act*" means the "Special District Act," Title 32, Article 1, C.R.S.

"*Additional Bonds*" means, *within the meaning of the Senior Indenture*, (a) all obligations of the District for borrowed money and reimbursement obligations, (b) all obligations of the District constituting a lien or encumbrance upon any ad valorem tax revenues of the District or any part of the Senior Pledged Revenue, (c) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, (d) all obligations of the District to pay the deferred purchase price of property or services, (e) all obligations of the District as lessee under capital leases, and (f) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term "Additional Bonds" (*within the meaning of the Senior Indenture)* does not include:

(i) obligations the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor, other than capital leases as set forth in (5) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(ii) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(iii) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law;

(iv) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any Parity Bonds or Subordinate Bonds, and (B) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and

(v) any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District; and

(vi) obligations with respect to which the District has irrevocably committed funds (not constituting Senior Pledged Revenue under the Senior Indenture) equal to the full amount due or to become due thereunder.

"*Additional Bonds*" means, *within the meaning of the Subordinate Indenture*, (a) all obligations of the District for borrowed money and reimbursement obligations, (b) all obligations of the District constituting a lien or encumbrance upon any ad valorem tax revenues of the District or any part of the Subordinate Pledged Revenue, (c) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, (d) all obligations of the District to pay the deferred purchase price of property or services, (e) all obligations of the District as lessee under capital leases, and (f) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term "Additional Bonds" (*within the meaning of the Subordinate Indenture*) does not include:

(i) obligations the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor, other than capital leases as set forth in (e) above, and which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(ii) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(iii) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law;

(iv) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any Senior Bonds, Subordinate Bonds, or Second Subordinate Bonds, and (B) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements;

(v) any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District; and

(vi) obligations with respect to which the District has irrevocably committed funds (not constituting Subordinate Pledged Revenue under the Subordinate Indenture) equal to the full amount due or to become due thereunder.

"*Authorized Denominations*" means, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on the Bonds on the maturity date; and

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Board*" means the Board of Directors of the District, being its governing body.

"*Board of County Commissioners*" or "*County Board of County Commissioners*" means the Board of County Commissioners of Larimer County, Colorado, being the governing body of the County.

"Bond Counsel" means, as of the date of issuance of the Bonds, Kutak Rock LLP, Denver, Colorado and thereafter, means any firm of nationally recognized municipal bond attorneys selected by the District and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

"*Bond Resolution*" means the resolution authorizing the issuance of the Bonds and the execution of the Indentures, certified by the Secretary or an Assistant Secretary of the District to have been duly

adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

"Bond Year" means (a) with respect to the Series 2020A Senior Bonds (and any other Senior Bonds), the period commencing December 2 of any calendar year through and including December 1 of the immediately succeeding calendar year; and (b) with respect to the Series 2020B Subordinate Bonds (and any other Subordinate Bonds), the period commencing on December 16 of any calendar year through and including December 15 of the immediately succeeding calendar year.

"*Bonds*" means, collectively, the Series 2020A Senior Bonds and the Series 2020B Subordinate Bonds.

"*Business Day*" means a day on which the Trustee or banks or trust companies in Denver, Colorado, or in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

"*Capital Fees*" means collectively, (a) the Facilities Fees and (b) all other fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed after the date of issuance of the Bonds by the District or any District-owned "enterprise" under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

"*Cede & Co." or "Cede*" means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

"*Certified Public Accountant*" means a certified public accountant within the meaning of Section 12-2-115, C.R.S., licensed to practice in the State.

"*City*" means the City or Fort Collins, Colorado.

"City Council" means the City Council of the City, being the governing body of the City.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

"*Consent Party*" means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond or, if so designated in writing by a Participant, the Beneficial Owner of such Bond. The District may at its option determine whether the Owner or the Participant is the Consent Party with respect to any particular amendment or other matter under the Indentures.

"*Conversion Date*" means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or of interest on the Parity Bonds are past due and the amount on deposit in the Senior Reserve Fund is not less than the Reserve Requirement.

"*Counsel*" means a person, or firm of which such a person is a member, authorized in any state to practice law.

"*County*" means Larimer County, Colorado.

"County Treasurer" means the Treasurer of Weld County, Colorado.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date of the Indentures.

"Debt" means, as defined in the Service Plan, any bonds, notes or other multiple fiscal year financial obligations to be paid with ad valorem property tax mill levies, fees or other legally available revenue.

"*Debt to Assessed Ratio*" means the ratio derived by dividing the then-outstanding principal amount of all Parity Bonds of the District to which property taxes are pledged by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. For purposes of application of this definition for the issuance of Parity Bonds pursuant to the Senior Indenture, any proposed Parity Bonds are to be included in the definition of Parity Bonds when calculating the Debt to Assessed Ratio.

"*Depository*" means any securities depository that the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

"*Developer*" means DFC Northfield, LLC, a Florida limited liability company, and its affiliates, successors or assigns.

"*District*" means Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado, and its successors and assigns.

"*District Accountant*" means (a) as of the date of issuance of the Bonds, District Resource LLC, Fort Collins, Colorado; and (b) as of any other date, the firm or individual then serving as the accountant for the District.

"*District Representative*" means the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President or Vice President and attested by its Secretary or Assistant Secretary, and any alternate or alternates designated as such therein.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

"*Election*" means the election held within the District on November 5, 2019.

"*Event of Default*" means, with respect to the Series 2020A Senior Bonds, any one or more of the events identified as such in the Senior Indenture and means, with respect to the Series 2020B Subordinate Bonds, any one or more of the events identified as such in the Subordinate Indenture. See information in the Limited Offering Memorandum under the captions "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*" and "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*."

"*Facilities Fees*" means all of the fees by that name imposed pursuant to the Facilities Fee Resolution including the revenue derived from any action to enforce the collection of such fees and the

revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of such fees.

"*Facilities Fee Resolution*" means the Resolution of the District Concerning the Imposition of a District Capital Facilities Fee adopted on October 26, 2020.

"*Federal Securities*" means direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"*GAAP*" means generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB").

"*Indentures*" means, collectively, the Senior Indenture and the Subordinate Indenture.

"Interest Payment Date" means, (a) with respect to the Series 2020A Senior Bonds, June 1 and December 1 of each year, commencing June 1, 2021 and continuing for so long as the Series 2020A Senior Bonds are Outstanding, and on the final maturity date of the Series 2020A Senior Bonds and (b), with respect to the Series 2020B Subordinate Bonds, December 15 of each year, commencing December 15, 2021 and continuing for so long as the Series 2020B Subordinate Bonds are Outstanding, and on the final maturity date of the Series 2020B Subordinate Bonds.

"Limited Offering Memorandum" means this Limited Offering Memorandum to which this APPENDIX B is appended.

"Maximum Debt Mill Levy Imposition Term" has the meaning set forth in the Service Plan; as of the date of issuance of the Bonds, the Maximum Debt Mill Levy Imposition Term set forth in the Service Plan is forty (40) years.

"*Maximum Surplus Amount*" means the amount of $483,000.

"*Outstanding"* or *"Outstanding Bonds*" means as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under the Indentures, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indentures) has been deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indentures) has been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the provisions of the Indentures applicable to lost, destroyed, stolen or mutilated Bonds.

"*Owner(s")* or *"Owner(s) of Bonds*" means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee under the Indentures, respectively.

"*Participants*" means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

"*Permitted Refunding Bonds*" means, *within the meaning of the Senior Indenture,* Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of refunding all or any part of the Series 2020A Senior Bonds or any other Senior Bonds and paying the costs of refunding all or any part of any obligation of the District which constitutes a lien upon the ad valorem tax revenues of the District or the Senior Pledged Revenue or any part thereof, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District's scheduled debt service in *any* year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding all or any part of the Series 2020A Senior Bonds or other Senior Bonds which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District's debt service in any year.

(c) If any additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations, the Bonds shall also be secured thereby on a pari passu basis. It is the intent hereof that the refunding obligations may be secured by the Reserve Fund and the Surplus Fund in the same fashion as the Bonds, as provided in the Sections hereof entitled "Reserve Fund" and "Surplus Fund."

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Series 2020 Senior Bonds or other Senior Bonds being refunded, and are not subject to acceleration.

(e) The ad valorem mill levy pledged to the payment of the refunding obligations is not higher than and is subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Series 2020 Senior Bonds or other Senior Bonds.

(f) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Series 2020 Senior Bonds or other Senior Bonds.

"Permitted Refunding Bonds" means, *within the meaning of the Subordinate Indenture*, Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Subject to the provisions of paragraph (d) below, such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of the Series 2020A Senior Bonds or any other Senior Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations of the Series 2020A Senior Bonds or any other Senior Bonds do not increase the District's scheduled debt service with respect to the Series 2020A Senior Bonds or any other Senior Bonds in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding the Series 2020A Senior Bonds or any other Senior Bonds which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District's debt service in any year.

(c) The refunding obligations must be secured by a surplus fund that is not in excess of 10% of the par amount of such refunding obligations.

(d) Notwithstanding the provisions of paragraph (a) above, Permitted Refunding Bonds may be issued to refund the Series 2020A Senior Bonds or any other Senior Bonds, the Series 2020B Subordinate Bonds, and any additional Subordinate Bonds then Outstanding OR may be issued to refund all or any part of the Series 2020A Senior Bonds or any other Senior Bonds and also to refund a portion of the Series 2020B Subordinate Bonds so long as the foregoing tests are met with respect to the Series 2020A Senior Bonds or any other Senior Bonds being refunded.

"*Project*" means the acquisition, construction, and installation of public facilities and/or reimbursement of the Project Manager therefor, the debt for which was approved at the Election, including without limitation necessary or appropriate equipment.

"*Project Costs*" means the District's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;

(e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

(f) the costs, fees, and expenses of printers, engineers, architects, construction management, financial consultants, accountants, legal advisors, or other agents or employees;

(g) the costs of publishing, reproducing, posting, mailing, or recording documents;

(h) the costs of contingencies or reserves;

(i) the costs of issuing the Bonds;

(j) the costs of amending the Senior Indenture, the Subordinate Indenture, the Bond Resolution, or any other instrument relating to the Bonds or the Project;

(k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;

(m) the costs of demolition, removal, and relocation;

(n) the costs of organizing the District; and

(o) all other lawful costs as determined by the Board.

"*Project Manager*" means Northfield Land, LLC, a Colorado limited liability company, and its affiliates, successors or assigns.

"*Record Date*" means (a) with respect to the Series 2020A Senior Bonds, the fifteenth (15th) day of the calendar month immediately preceding each Interest Payment Date; and (b) with respect to the Series 2020B Subordinate Bonds, the first day of the calendar month in which each Interest Payment Date occurs.

"Second Subordinate Bonds" means Additional Bonds payable in whole or in part from any Subordinate Pledged Revenue ad described under the Section of the Subordinate Indenture entitled "Flow of Funds" and not from Subordinate Pledged Revenue available under SECOND of that section. For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Subordinate Pledged Revenue or any part thereof. Any Second Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

"Senior Bond Fund" means the "Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, Senior Bond Fund," established by the provisions of the Senior Indenture for the purposes set forth therein.

"Senior Bond Mill Levy" means the Senior Required Mill Levy required to be imposed for payment of the Series 2020A Senior Bonds under the Senior Indenture and any other mill levy required to be imposed for payment of other Senior Bonds outstanding, if any, under the applicable instrument pursuant to which such Senior Bonds are issued and secured.

"Senior Bond Termination Date" means December 31, 2060, being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

"*Senior Bond Reserve Fund*" means a special fund of the District designated as the "Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, Reserve Fund," created by the provisions of the Senior Indenture for the purposes set forth therein.

"*Senior Bonds*" means, as used in this Limited Offering Memorandum, the Series 2020A Senior Bonds and any Additional Bonds having a lien upon the Senior Pledged Revenue or any part thereof on parity with the lien thereon of the Series 2020A Senior Bonds (and any other Senior Bonds) and superior to the lien of the Series 2020B Subordinate Bonds (and any other Subordinate Bonds). With respect to the definition of such bonds in the Indentures:

(a) *under the Senior Indenture,* "Senior Bonds" means the Series 2020A Senior Bonds and any Additional Bonds (within the meaning of the Senior Indenture) having a lien upon the Senior Pledged Revenue or any part thereof on a parity with the lien thereon of the Series 2020A Senior Bonds and superior to the lien of the Series 2020B Subordinate Bonds (and any other Subordinate Bonds), payable in whole or in part from moneys described in SECOND through FOURTH of the Section of the Senior Indenture entitled "—Flow of Funds." For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Senior Pledged Revenue or any part thereof. Any Senior Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District; and

(b) *under the Subordinate Indenture*, "Senior Bonds" means the Series 2020A Senior Bonds and any Additional Bonds (within the meaning of the Subordinate Indenture) having a lien upon the Senior Pledged Revenue or any part thereof on parity with the lien thereon of the Series 2020A Senior Bonds and superior to the lien of the Series 2020B Subordinate Bonds. For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Senior Pledged Revenue or any part thereof. Any Senior Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

See information in this Limited Offering Memorandum under the captions "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds" and "—Additional Bonds*" and "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Subordinate Flow of Funds" and "—Additional Bonds*."

"*Senior Indenture*" means the Indenture of Trust dated as of the date of issuance of the Series 2020A Senior Bonds between the District and the Trustee pursuant to which the Series 2020A Senior Bonds are issued, as the same may be amended and supplemented from time to time in accordance with the provisions thereof.

"Senior Pledged Revenue" means, with respect to the Series 2020A Senior bonds, the moneys derived by the District from the following sources, net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (c) the Capital Fees; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue; and with respect to any other outstanding Senior Bonds, such term means the revenue pledged to the payment of such Senior Bonds by the documents pursuant to which such Senior Bonds are issued.

"*Senior Project Fund*" means a special fund of the District designated as the "Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, Senior Project Fund," established by the provisions of the Senior Indenture for the purpose of paying or reimbursing Project Costs.

"*Senior Record Date*" means the fifteenth (15th) day of the calendar month next preceding each interest payment date for the Series 2020A Senior Bonds.

"*Senior Required Mill Levy*" has the following meaning:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient with other Senior Pledged Revenue to fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior Bonds as they come due and, if necessary, an amount sufficient to replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement, but (i) not in excess of 40.000 mills, and (ii) for so long as the Senior Surplus Fund is required to be maintained under the Senior Indenture and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 40.000 mills, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Series 2020A Senior Bonds as they come due, will replenish the Senior Reserve Fund to the amount of the Senior Reserve Requirement and, for so long as the Senior Surplus Fund is required to be maintained hereunder, will fund the Senior Surplus Fund to the Maximum Surplus Amount; provided however, that if, after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement with respect to the classes of property on which the District may impose its mill levy; the minimum and maximum mill levies provided in this paragraph (a) shall be increased or

decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization or create a material departure from the Service Plan, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

"Senior Reserve Fund" means a special fund of the District designated as the "Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, Reserve Fund," created by the provisions of the Senior Indenture for the purposes set forth therein.

"Senior Reserve Requirement" means the amount of $483,000.

"*Senior Surplus Fund*" means the "Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, Surplus Fund," created by the provisions of the Senior Indenture for the purposes set forth therein.

"*Series 2020A Senior Bonds*" means the Northfield Metropolitan District No. 2 Limited Tax General Obligation Bonds, Series 2020A, in the aggregate principal amount of $5,810,000, issued by the District pursuant to the Senior Indenture and the Bond Resolution.

"*Series 2020B Subordinate Bonds*" means the Northfield Metropolitan District No. 2 Subordinate Limited Tax General Obligation Bonds, Series 2020B, in the aggregate principal amount of $865,000 issued pursuant to the Subordinate Indenture and the Bond Resolution.

"*Service Plan*" means the Consolidated Service Plan for Northfield Metropolitan District Nos. 1-3 approved by the City Council of the City on October 1, 2019, as the same may be modified or amended from time to time in accordance with the provisions thereof and applicable law.

"*Special Record Date*" means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to the Indentures.

"*Specific Ownership Tax*" means the specific ownership taxes collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute.

"*State*" means the State of Colorado.

"*Subordinate Bond Fund*" means a special fund of the District designated in the Subordinate Indenture as the "Northfield Metropolitan District No. 2 Subordinate Limited Tax General Obligation Bonds, Series 2020B, Subordinate Bond Fund," established by the provisions of the Subordinate Indenture for the purpose of paying the principal of and interest on the Series 2020B Subordinate Bonds.

"*Subordinate Bond Termination Date*" means December 31, 2060, being the date on which no further payments will be due on the Series 2020B Subordinate Bonds, regardless of the amount of principal and interest paid on the Series 2020B Subordinate Bonds prior to that date.

"*Subordinate Bonds*" means, as used in this Limited Offering Memorandum, the Series 2020B Subordinate Bonds and any Additional Bonds having a lien upon the Subordinate Pledged Revenue or any part thereof on parity with the lien thereon of the Series 2020B Subordinate Bonds (and any other Subordinate Bonds) and subordinate to the lien of the Series 2020A Senior Bonds (and any other Senior Bonds). With respect to the definition of such bonds in the Indentures:

(a) *under the Senior Indenture,* "Subordinate Bonds" means the Series 2020B Subordinate Bonds and any Additional Bonds (within the meaning of the Senior Indenture) having a lien upon the Senior Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Series 2020A Senior Bonds, payable in whole or in part from moneys described in clause FIFTH of the Section of the Senior Indenture entitled "Revenue Fund; Flow of Funds," and *not* from moneys described in clauses SECOND through FOURTH of such Section. For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Senior Pledged Revenue or any part thereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District; and

(b) *under the Subordinate Indenture*, "Subordinate Bonds" means the Series 2020B Subordinate Bonds and any other bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien on the Subordinate Pledged Revenue or any part thereof on parity with the lien thereon of the Series 2020B Subordinate Bonds, and payable in whole or in part from the Subordinate Pledged Revenue available under clause SECOND of the Section of the Subordinate Indenture entitled "Flow of Funds." For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Subordinate Pledged Revenue or any part thereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

See information in this Limited Offering Memorandum under the captions "THE SERIES 2020A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds" and "—Additional Bonds*" and "THE SERIES 2020B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Subordinate Flow of Funds" and "—Additional Bonds*."

"*Subordinate Indenture*" means the Indenture of Trust dated as of the date of issuance of the Series 2020B Subordinate Bonds between the District and the Trustee pursuant to which the Series 2020B Subordinate Bonds are issued, as the same may be amended and supplemented from time to time in accordance with the provisions thereof.

"Subordinate Pledged Revenue" means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax revenues resulting from the Subordinate Required Mill Levy; (iii) any Capital Fees available after application pursuant to the Series 2020A Senior Indenture or any indenture, resolution, loan agreement or other document securing Senior Bonds; (iv) the amounts, if any, in the Series 2020A Senior Bond Surplus Fund released to the District pursuant to the Series 2020A Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

"*Subordinate Project Fund*" means the special fund designated in the Subordinate Indenture as the "Northfield Metropolitan District No. 2 Subordinate Limited Tax General Obligation Bonds, Series 2020B, Subordinate Project Fund," established by the provisions of the Subordinate Indenture for the purpose of paying the Project Costs.

"*Subordinate Record Date*" means, the first day of the calendar month in which each Interest Payment Date occurs.

"Subordinate Required Mill Levy" has the following meaning:

(a) Subject to paragraph (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District in an amount of 40.000 mills, as adjusted in accordance with paragraph (b) below, less the amount of the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Bond Required Mill Levy equals or exceeds 40.000 mills in any year, adjusted for changes as described in subsection (b) below, the Subordinate Required Mill Levy for that year shall be zero.

(b) In the event the method of calculating assessed valuation is changed on or after January 1, 2019, the mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) 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. 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.

(c) Notwithstanding anything in the Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"*Supplemental Act*" means the "Supplemental Public Securities Act," being Title 11, Article 57, Part 2, C.R.S.

"*Tax Code*" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as amended and in effect as of the date of issuance of the Bonds.

"*Termination Date(s)*" means the Senior Bond Termination Date and/or the Subordinate Bond Termination Date, as applicable.

"*Trust Estate*" means (a) with respect to the Series 2020A Senior Bonds, the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Senior Indenture which include, without limitation, the Senior Pledged Revenue; the Senior Bond Fund; the Senior Project Fund; the Senior Surplus Fund; and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of the Senior Indenture; and (b) with respect to the Series 2020B Subordinate Bonds, the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Subordinate Indenture which include, without limitation, the Subordinate Pledged Revenue; the Subordinate Bond Fund;

and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of the Subordinate Indenture.

"*Trustee*" means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee hereunder, or any successor trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture.

"Trustee Fees" means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties rendered under the Indentures (and under any other indenture entered into by the District in connection with the issuance of additional Senior Bonds or Subordinate Bonds), as the same become due and payable as described in the Indentures but not in excess of $4,000 annually for each series of Senior Bonds (and not in excess of $3,000 annually for each series of Subordinate Bonds); provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in the Indentures, which expenses shall be payable by the District in accordance with the provisions thereof.

"*Underwriter*" means MBS Capital Markets, LLC.

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APPENDIX C

MARKET STUDY

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NORTHFIELD METROPOLITAN DISTRICT MARKET STUDY IN THE CITY OF FORT COLLINS

LARIMER COUNTY, COLORADO

Prepared for:

NORTHFIELD METROPOLITAN DISTRICT

July 2020

Metrostudy | A Hanley Wood company
Denver, Colorado Office
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July 15, 2020

Mr. Rahul Majumdar
Mr. Chris Beabout
Northfield Metropolitan District
c/o Landmark Homes
6341 Farigrounds Avenue, Suite 100
Windsor, CO 80550

RE: Northfield Metropolitan District Market Study

Gentlemen:

Metrostudy is pleased to present this market analysis and absorption forecast for Northfield Metropolitan District. We have evaluated the Northern Colorado Market area as well as the competitive area around the community, and rendered our absorption and pricing conclusions in the following report. This report was conducted by Evan Forrest, Vice President-Advisory, Joe Hemmelgarn, Senior Manager, and Eric Patterson, Market Analyst, with participation from John Covert, Regional Director of Colorado. Metrostudy-Meyers has been engaged in analyzing residential market conditions since 1975 with its proprietary lot-by-lot survey, and locally within the state of Colorado since 2001.

Please do not hesitate to contact us with any questions regarding this report.

Respectfully Submitted,

Metrostudy-Meyers

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Executive Summary

The purpose of this report is to provide the Northfield Metropolitan District with an overview of the Northern Colorado Market economy and the competitive market area surrounding the development (Northfield CMA). The Northfield Metropolitan District residential program consists of 377 residential units and 2,679 square feet of retail commercial space. The mix of residential units includes 139 townhomes to be built by Dream Finders Homes, 236 condominiums and townhomes to be built by Landmark Homes, and two (2) rental apartments (above retail space) to be built by Landmark Homes in conjunction with the retail space. Per the schedule given by the Client, horizontal land development will begin in the fourth quarter of 2020 and take six to seven months to complete. Vertical home construction will commence after that with first home closings anticipated in the fourth quarter of 2021.

Exhibit 1 ***: Northfield Building Images***

Metrostudy analyzed the competitive position of Northfield as it relates to other communities in the Northern Colorado Market and the Northfield CMA. We have compiled data on the Northern Colorado Market economy, including demographics for Larimer/Weld Counties and the Northfield CMA. We have collected and reviewed historical data for both new and resale housing and have conducted field research in the competitive market area. Utilizing this data and research, Metrostudy has provided its conclusions about the marketability, pricing, competitive positioning, product mix, and absorption levels that should be achievable within the development of Northfield.

Socioeconomic Overview

Prior to the COVID-19 crisis, the Colorado Front Range Markets (Fort Collins to Colorado Springs) were experiencing a strong economic run dating back ten years. Relative to the nation, Colorado is still in the top tier of states in terms of weathering the impact of this health and economic crisis, primarily because of its historical strong job growth, low unemployment rates, and tight supply conditions the State possessed prior to this unprecedented event.

> ***Note:*** *This report was conducted in July 2020 during the ongoing global health crisis created by the COVID-19 (Coronavirus) outbreak, the duration and consequences of which still remain largely unknown. Our research and conclusions are based upon the best information available to us at the time of publication. Please refer to our latest COVID-19 addendum, which accompanies this report.*
>
> *Market projections and the majority of data points utilized within this study are subject to change as the health and economic ramifications become clearer and more is known on the duration of both the health and economic disruption.*
>
> *While prospects for the housing market through the remainder of 2020 and beyond have become clouded by the pandemic, we believe this has the full attention of the federal, state and local governments to help minimize both its health and economic impact.*

As of May 2020, employment figures by the Colorado Department of Labor and Employment show the Northern Colorado Market shedding 22,000 jobs in March and April due to the COVID-19 pandemic and the resulting State's Stay-at-Home orders from March 26th to April 26th (continued to May 8th by Larimer County), erasing nearly three years of previous job growth. In May, Northern Colorado gained backed 7,200 of these workers. The disruption of the economy by the Stay-at-Home orders resulted in furloughs and temporary employee layoffs that are now just slowly returning with the constrained reopening of the local, state and national industry sectors (at varying levels). What is uncertain at this time, is the continued depth of the damage the shutdown and gradual reopening of consumer movement will have on the economy and what percent of the remaining lost jobs will return and at what pace.

The unemployment rate in the Northern Colorado Market was at 4.9% as of March, a considerable increase from the 2.7% reported in February, as the economic impacts of the COVID-19 virus started to emerge. Prior to the March unemployment number coming out, the Northern Colorado Market was experiencing the rare occurrence of having unemployment rates and mortgage interest rates both being below 4%, which in turn resulted in strong consumer confidence. As of April, the unemployment rate for the Northern Colorado Market spiked to 10.6%, as the damaging economic effects from the stay-at-home health orders came to light. In May, the unemployment rate was at 8.6%, still considerably higher than pre-COVID-19 levels. The 8.6% unemployment rate reported in May for both Larimer and Weld County is the lowest of all the Colorado Front Range counties.

For Northern Colorado, the biggest job losses in March and April occurred in the "Leisure & Hospitality" with 13,700 jobs lost (4,600 gained back in May), "Trade, Transportation & Utilities with 4,100 jobs lost (300 gained back in May), "Retail Trade" with 3,200 jobs lost (400 gained back in May), and "Mining, Logging & Construction" with 3,100 jobs lost (1,100 gained back in May). We anticipate some continued level of recovery in the upcoming months, as the market economy opens up, however, it appears the recovery will be sporadic even as the COVID-19 cases have become manageable in Larimer County and the Northern Colorado Market. The Paycheck Protection Program (PPP) which provided loans to small businesses in order to keep their workers on the payroll was helpful in keeping the unemployment rate lower that what it might have been. The Small Business Administration will forgive these loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. However, as this time frame for assistance expires, it is unknown if these employees will be able to be retained.

Aided by an abundant variety of outdoor recreation and a favorable economic climate, Northern Colorado's population is expected to continue to grow in the future with current estimates expecting the area to surpass the 757,600 mark by 2025. Household formations are expected to rise 10.1% (2.0% annually) over the next five years (2020 to 2025) from 260,675 to 287,124 total households. Estimates indicate the Northfield CMA population will rise at an annual rate of 1.4%, growing from 278,206 residents in 2020 to 298,560 residents by 2025. An 1.5% annual household growth rate is forecast, projecting the number of households to climb by 8,350 (1,670 annually) to 119,322 households in 2025 from 110,971 households in 2020. Households in the CMA are slightly younger (influenced by Colorado State University) and lower wage-earners than the Northern Colorado Market overall, with a median age of 34.4 years (Northern Colorado Market - 35.4 years) and a median household income of $72,045 (Northern Colorado Market - $74,955).

New Housing Activity Overview

Northern Colorado Market

The Northern Colorado Market's strong economic growth, low unemployment rate, high in-migration, and supply-restricted housing market has translated into continued increases in new and resale home prices since the last downturn. The rising home prices have acted as a double-edged sword, benefiting existing homeowners with magnified home equity gains, while reducing the ability of first-time home buyers

to enter the new home market. Many homebuilders have recently pivoted towards smaller homes on smaller lots to assist in making their offerings more attainable to a larger group of consumers.

The Northern Colorado Market experienced a negligible decrease in annual starts and a 2.0% increase in annual closings from 2018 to 2019. A total of 4,538 new homes were started in the Northern Colorado Market in 2019, compared to 4,559 in 2018. A total of 4,575 new homes were closed in 2019, 2.0% higher than the 4,486 closed in 2018. In the first quarter of 2020, the Northern Colorado Market realized 1,385 new home starts and 1,062 new home closings. The 1,385 new home starts were a considerable 34.6% ahead of the first quarter pace of 2019 (1,029 starts), while the 1,062 new home closings were 16.7% ahead of the first quarter 2019 level of transactions (910 closings).

Over the trailing 12 months, the Northern Colorado Market experienced a 3.1% decrease in the number of vacant developed lots (VDL), dropping from 6,882 to 6,666 home sites, resulting in the months of supply decreasing from 17.8 to 16.3 months. Over the trailing 12 months, lot deliveries totaled 4,678 home sites, a 22.4% decrease from the previous 12 months. This decline was anticipated, as the previous 12 months saw a record amount of lot deliveries in the CMA.

The considerable momentum in the new housing market in the first 2 ½ months of 2020 was interrupted by the COVID-19 health crisis. Beginning in mid-March the COVID-19 pandemic began significantly influencing the local economy. All the unprecedented preventive measures taken to reduce the health impact of the virus greatly reduced the amount of home buying activity that is typical during this time of the year. The magnitude and duration of the impact from COVID-19, especially on consumer behaviors, remain unknown and therefore cannot be fully defined at this time.

During the Stay-at-Home orders the new home construction industry was classified as an essential business, which allowed home builders to continue/complete construction on their homes in backlog, which were at a relatively high level given the strong levels of sales activity in January, February, and early March. However, from a sales perspective, with the stay-at-home directive in place for four to five weeks (March 26th to April 26th or May 8th depending on the county (Weld County was April 26th, while Larimer County's lasted until May 8th), builders had very limited capacity to perform normal real estate transactions. After first closing their model home sales offices, all builders had to limit visitations to their model home sales centers to by appointment only, putting more reliance on virtual sales activity via their websites and social channels. Sales activity steadily declined as the buyer pool diminished. In addition, a higher percentage of contracts to purchase cancelled due to these buyer's own economic and health uncertainties. Beginning May 8th, builders in the Northern Colorado Market have begun opening their model home centers to visitors once again, with significant "social/physical distancing" parameters and much less customer traffic.

Due to the continued health and economic uncertainties related to the COVID-19 outbreak, Metrostudy has provided three scenarios (presented in more detail within the Northern Colorado Market Analysis section of this report) that are directing our future housing forecasts

as the market proceeds in these unprecedented times. For the purpose of this report, we are using Scenario 1 for our near-term housing forecast.

Based on this scenario, Metrostudy believes the Northern Colorado Market's new housing levels by year-end 2020 will likely see a 10% decline in new home starts and a 5% decrease in annual new home closings from the levels reported in 2019. Furthermore, in this scenario, start activity is anticipated to be up a slight 2% in 2021, however closing activity levels would likely be consistent with 2020, mainly due to the lesser start production projected in 2020. Attaining these figures will be based on the health and economic concerns staying within the general parameters defined for Scenario 1, as described in Exhibit 7.

Northfield CMA

In 2019, the Northfield CMA reported 766 detached and 371 attached new home starts. Compared to 2018, these start totals in the CMA were 9.6% and 10.1% increases, respectively. Through the first quarter of 2020, 295 detached and 111 attached homes have been started for an overall total of 406 homes (compared to 255 starts the first quarter of 2019). The 295 detached starts for the first quarter of 2020 were 90.3% ahead of the pace of a year ago (155 starts), while the 111 attached starts are 11% higher than the 100 attached homes started a year ago.

The Northfield CMA currently has 1,468 vacant developed lots ("VDL") designated for detached homes and 603 VDL designated for attached homes. These represent 19.4 and 18.9 months of supply, respectively, based on the trailing 12 months start activity for each product type. There have been 1,384 new lots delivered in the trailing 12 months, 1,017 for detached homes and 367 for attached homes. The 1,017 lots delivered for single-family detached homes the trailing 12 months exceeded the number of starts (906) by 12.3%, while the 367 lots delivered for attached homes are just 3.9%% off the pace of production (382 starts).

- The 906 new single-family detached home starts in the Northfield CMA the trailing 12 months is 4.8% behind the five-year average of 952 starts. The 802 annual new single-family detached home closings in the Northfield CMA for the trailing 12 months is 15.9% below the five-year average of 954 closings.
- The 382 new single-family attached home starts in the Northfield CMA over the trailing 12 months is 21.3% above the five-year average of 315 starts. The 351 annual new single-family attached home closings in the Northfield CMA over the trailing 12 months is 30.5% above the five-year average of 269 closings.
- The CMA's current VDL supply of 1,468 home sites for single-family detached homes is 6.8% below the five-year average of 1,575 home sites.
- The CMA's current VDL supply of 603 home sites for single-family attached homes is 10.8% above the five-year average of 544 home sites.

- The CMA's annual lot deliveries in the past four quarters of 1,017 home sites for detached homes is 32.1% above the five-year average of 770 home site deliveries.
- The CMA's annual lot deliveries in the past four quarters of 367 home sites for attached homes is 10.5% above the five-year average of 332 home site deliveries.

As mentioned earlier, Metrostudy anticipates Northern Colorado's housing growth in 2020 to likely see a 5.0% decrease in annual new home closings. This translates to approximately 4,346 closings. Given the health and economic uncertainties brought on by the COVID-19 Coronavirus pandemic, this volume could go up or down if health concerns improve or deteriorate.

Northern Colorado and Northfield CMA Closing Forecasts

	10-Yr Avg	2018	2019	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F
Market	3,174	4,486	4,575	4,346	4,346	4,433	4,566	4,794	5,034	5,286	5,497	5,717	5,889
CMA	1,055	1,186	1,093	1,119	1,124	1,331	1,482	1,658	1,611	1,441	1,448	1,555	1,542
CMA %	33%	26%	24%	26%	26%	30%	32%	35%	32%	27%	26%	27%	26%

Northfield has the following positive features that supports its position in the CMA and the overall Market:

- A highly desirable location with direct access into the central core of Fort Collins (Old Town) via Vine Street and with good access to Interstate 25.
- A broad product offering, with a mix of affordable rental units and attainable for-sale condominiums and townhomes.
- In a desirable overall market area to move to and live due to its close proximity to mountain recreation, the college university, a vibrant "Old Town", and significant employment opportunities.
- Landmark Homes has strong name recognition in the Northern Colorado Market along with high familiarity and experience building condominiums and townhomes.

Some potential challenges for the project are:

- Increased competition in the immediate market area, including the active Mosaic community and the potential addition of the Waterfield, Waters Edge, and Montava communities.

Based on the proposed builder product offerings and trends in the surrounding CMA, Metrostudy believes Northfield has the ability to compete successfully. With the proposed mix of product, Metrostudy estimates the community has the potential to capture up to 100 for-sale home closings annually at full production when all its products are available for a full year. This absorption projection is dependent on the builder effectively marketing their product lines and offering competitively priced product. Metrostudy believes Northfield has the potential to capture

between 4% and 8% of CMA closings between 2022 and 2025. This estimated CMA capture rate is in-line with historical capture rates of other comparatively priced new home communities within the CMA.

Northfield Absorption Projection Summary (Home Closings)													
	Pre-2020	2018	2019	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F
Northfield Closings	0	0	0	0	16	100	85	69	69	**36**	0	0	0
Northfield Mkt Share of CMA	---	0%	0%	0%	1%	8%	6%	4%	4%	2%	0%	0%	0%

For-Rent Housing Absorption

Per the Client, construction of the two "market-rate" apartments at the Subject Property is anticipated to be completed and fully absorbed in 2022. Based on our review of valuations of apartment communities, we have estimated the two "market rate" units to have a market value of $245,000 per unit.

Planning Area/Product Type[2]	TMV Assessment[1]	Unit Mix		2020				2021				2022				2023				2024			
		Lots	%	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Affordable Apartments	$245,000	2	100.0%											2									

Notes:

1- The Total Market Value Assessment ("TMV") is based on the most recently available assessments of each property. Valuations at the Subject Property's release may require adjustment.

2- Build-out reflects construction on the two apartments to occur in 2022. Taxes on apartment units are collected regardless of their occupancy status.

Retail Feasibility and Land Valuation Overview

Retail sales are generally dependent and generated by the local population. This is true for the Northfield market as its location makes it dependent upon local resident demand. Still, there appears to be opportunity for many categories of retail space within the Commercial CMA. When residents do not have sufficient choice to purchase retail goods locally, they are drawn outside of the CMA. The difference between the CMA's retail sales revenue and what CMA residents are actually spending is defined as a 'gap' which identifies a given category of retail space as over or under supplied. However, as with housing during the current COVID-19 pandemic, retail levels will need to be monitored carefully due to the current uncertainty of the market.

The table on the next page presents comparisons of retail sales activity within the defined Northfield CMA as it compares with how much retail spending is represented by residents within the CMA:

Retail Stores	2020 Estimated Retail Sales	2020 Resident Expenditures	2025 Resident Expenditures	CMA Opportunity Gap or (Surplus) 2020	2025
GLA in Shopping Centers w/in the CMA	3,707,815sf	7,407,914sf	8,093,246sf	3,700,099sf	4,385,431sf
Total Retail Sales Incl Eating and Drinking Places	$1,227,690,645	$2,452,826,587	$2,679,745,838	$1,225,135,942	$1,452,055,193
2020 Retail Expenditures Per Sq.Ft. of Resident Pop	$331.11/sf	$661.53/sf	$661.53/sf		
2020 Retail Expenditures Per Person of Resident Pop	$12,873/person	$25,719/person	$25,719/person		
Total Pop. in CMA (incl. subject site):	95,370 persons	95,370 persons	104,193 persons		
Added Resident Retail Sales Potential From 2020			$226,919,251		
Added Total Retail Sales Potential From 2020			$113,577,798		
Added Resident Retail Sq.Ft. Potential From 2020			343,022sf		
Added Total Retail Sq.Ft. Potential From 2020			171,690sf		

Source: Evironics Analytics; Metrostudy

As shown, CMA residents are spending $6.688bb annually in retail goods while actual retail sales levels within the Commercial CMA are only $5.611bb. The shortfall or 'gap' of $1.077bb retail sales in the CMA reflects expenditures that residents make outside of the CMA – largely because select retail opportunities are either insufficient or unavailable within the Commercial CMA. Based on the population within the CMA, the Northfield CMA could support an additional 3,489,640 square feet of retail space in the current market. Not all of this demand, however, is conducive to neighborhood shopping at Northfield. Still, demand for neighborhood retail will continue to grow over time as new homes are built in the local area.

The 'gap' analysis that is summarized on the previous page is shown in more detail on Exhibit 73, which presents positive 'gaps' in blue and negative gaps in red, as well as the supportable amount of additional square footage per retail category for those categories that reflect positive gaps.

The most potent categories are shown in the table to the right. When viewing this table, it must be noted that the opportunities exist throughout the Commercial CMA. Given the retail options in the area it is likely that a combination of multiple types of retail stores could serve the subject property as shown to the right on smaller scales.

Though some opportunity exists for select clothing/accessory categories, these categories are trending downward in terms of potential due to the growing impact of online retail competition.

Potential Retail Stores at Northfield

Category	Minimum Square Footage Requirements	Examples and Comments	Type
Potential Specialty Stores			
Paint and wallpaper stores	< 10,000sf	Benjamin Moore, Vista Paint, Sherwin Williams	Rg/Tn/Nb
Office supplies and stationery stores	< 10,000sf	Staples, Hallmark, Local Specialty	Rg/Tn/Nb
Women's clothing stores	< 10,000sf	The Loft, Banana Republic, Lulus, LaFleur	Rg/Tn/Nb
Shoe stores	< 5,000sf	Famous Footwear, DSW, Skechers	Rg/Tn/Nb
Experiencial Retail	< 10,000sf	Climbing Walls, Tour Cos., F45 Training, ATV Rental	Town/Neighbor
Health and personal care stores	< 5,000sf	Local specialty	Town/Neighbor
Clothing accessories stores	< 2,500	Local specialty	Town/Neighbor
Jewelry stores	< 2,500	Jared, Zales, Kay	Town/Neighbor
Florists	< 1,000	Local specialty	Town/Neighbor
Luggage and leather goods stores	< 1,000	Local specialty	Town/Neighbor
Gift, novelty, and souvenir stores	< 1,000	Local specialty	Town/Neighbor
Book stores	< 1,000	Local specialty	Town/Neighbor
News dealers and newsstands	< 1,000	Local specialty	Town/Neighbor
Art dealers	< 1,000	Local specialty	Town/Neighbor
Potential Food Services			
Full-service restaurants	5,000-10,000sf	Farm-to-Table, Applebees, BJs, Local Specialty	Rg/Tn/Nb
Limited-service restaurants	< 5,000sf	Fast Food, McDonalds, Carls Jr., KFC	Rg/Tn/Nb
Coffee shops	< 2,500sf	Starbucks, Tea & Leaf, Coffee Bean	Rg/Tn/Nb
Drinking places	< 2,500sf	Local Specialty	Town/Neighbor
Meat markets	< 2,500sf	Local Specialty	Town/Neighbor
Specialty food stores	< 2,500sf	Local Specialty	Town/Neighbor
Services			
Gasoline stations w/ Convenience	2,500-5,000sf	Mavericks, Lvoes, Arco, Chevron	Rg/Tn/Nb
Convenience stores	2,500-5,000sf	7-11, Circle K	Town/Neighbor
Service Retailers	< 2,500sf	Agents, Personal Care, Dry Cleaning, Fitness	T/N/Bus.
Food service contractors	< 2,500sf	Local specialty	Light Ind.
Caterers	< 2,500sf	Local specialty	Bus.Park

Source; Environics Analytics; Metrostudy/Meyers

Though multiple opportunities exist, given the location and size of the subject site specialty restaurants, coffee shop, and office/stationary supply stores should be considered optimal for this site. Experiential retail, and personal services in the form of a fitness/yoga studio, dry cleaning, insurance/real estate agencies/brokerages will be in demand as well. These are uses that are conducive to a neighborhood center and are somewhat insulated from online competition.

Online competition is growing and will reduce demand for those categories of retail space that offer products easily purchased on line. Caution should be applied to select retail-clothing categories. For example, though clothing stores show some promise in the Commercial CMA from the gap analysis, this category of retail space is especially susceptible to growing online competition. Local brand specialty shops should plan on online marketing/sales efforts to augment revenues, and building designs should accommodate such uses.

Supportable Retail Land Values

Supportable retail land values are determined by an application of supportable lease rates applied to leasable square footages, an application of vacancies, and then a capitalization at market-supported cap rates. From these capitalized values are subtracted all vertical costs and fees and margins associated with vertical construction. Below is a summary of retail land + building values based upon typical FAR assumptions, lease rates, vacancy rates and cap rates:

Calculation of Retail Land Values	
Category	**Northfield Retail**
Product Assumptions	
FAR Assumptions	**0.09**
Leasable SF	**2,680sf**
Annual Lease Rate Per SF (NNN)[1]	**$27.50/sf**
Lease Allowances Per SF (NNN)	**-$2.06/sf**
Annual Lease Revenue	**$68,173**
Assumed Vacancy	**10.0%**
Effective Annual Lease	**$61,400**
Assumed 2020 Cap Rate	**7.00%**
Building+Land Market Value Capitalized at 2020 Rates	**$899,000**
Market-Supported 2020 Price/SF	**$335.45/sf**

As shown, retail space is valued at an annual lease rate of $27.50 per square foot. After accounting for vacancies and after applying market-observed cap rates, and assuming a FAR of 0.09, the resultant retail value for all buildable square feet at Northfield is estimated at $899,000 for 2,680 square feet, or $335.45/sf.

The methodology to generate the values shown on the preceding page and the land values are shown below.

Category		Northfield Retail
Product Assumptions		
FAR Assumptions		**0.09**
Leasable SF		**2,680sf**
Annual Lease Rate Per SF (NNN)[1]		**$27.50/sf**
Lease Allowances Per SF (NNN)		**-$2.06/sf**
Annual Lease Revenue		**$68,173**
Assumed Vacancy		**10.0%**
Effective Annual Lease		**$61,400**
Assumed 2020 Cap Rate		**7.00%**
Building+Land Market Value Capitalized at 2020 Rates		**$899,000**
Market-Supported 2020 Price/SF		**$335.45/sf**
Per Unit Vertical Direct Construction Costs		
Total Vertical Direct Const./SF		**$133.00**
Total Vertical Direct Const./Acre		**$356,440**
Miscellaneous Fees/Charges		
Permit Fees		$4,714
Plan Check Fee		$2,318
City Sales/Use Tax		$15,958
County Sales Tax		$3,316
Capital Improvement Expansion Fees ($11,050 Per 1,000 Sq. Ft.)		$29,614
Transportation Capital Expansion Fees ($8,594 Per 1,000 Sq. Ft.)		$23,032
Water Plant Investment Fee		$8,790
Water Supply Fee		$19,350
Wastewater Plant Investment Fee		$7,710
Stormwater Investment Fee		$680
Electric Development Fee		$4,933
Total Per Unit Fees		**$120,415**
Other Per Acre Soft Costs and Indirect Costs (Per Acre)		
Marketing/Commissions (5% of 5-year lease)	5.00%	$15,400
Legal	1.00%	$9,000
Financing	4.00%	$36,000
General/Administrative	1.50%	$13,500
Warranty	0.50%	$4,500
Architectural/Consulting	0.50%	$4,500
Soft Cost Contingencies	0.50%	$4,500
Total Soft Costs	**13.00%**	**$87,400**
Total Finished Land Values (Yr. 2020)		
Finished Value		**$334,745**
Total Square Feet		**2,680sf**
Total Acres		**0.7 acres**
Beginning Absorption Year		**2022**
Absorption Per Year		**7,500sf**
Absorption Years		**0.4**
Finished Present Value		**$304,237**
Present Value Per Square Foot		**$113.52**
		(Total Value)

Discount Rate = 15%
Source: Metrostudy/Meyers; RS Means; Hoff Leigh

The finished land values shown above present an effective proxy for market values based on this residual land value methodology. More detail regarding the generation of overall land values is provided in the body of the report.

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Introduction

The Northfield Metropolitan District is a future mixed-use community anticipated to begin development in the fourth quarter of 2020, with the first home closings anticipated in the fourth quarter of 2021. The for-sale housing product mix includes 139 three-story brownstone townhomes to be built by Dream Finders Homes, along with 16 townhomes and 220 condominiums to be built by Landmark Homes. Also included in the district are two "market rate" rental apartments (2,731 total square feet) built above 2,679 square feet of retail space. The community is located within the city of Fort Collins in Larimer County, west of Lemay Avenue and north of Vine Street, only 1.5 miles northwest of downtown Fort Collins (Old Town) and 3.2 miles from Interstate 25 to the east.

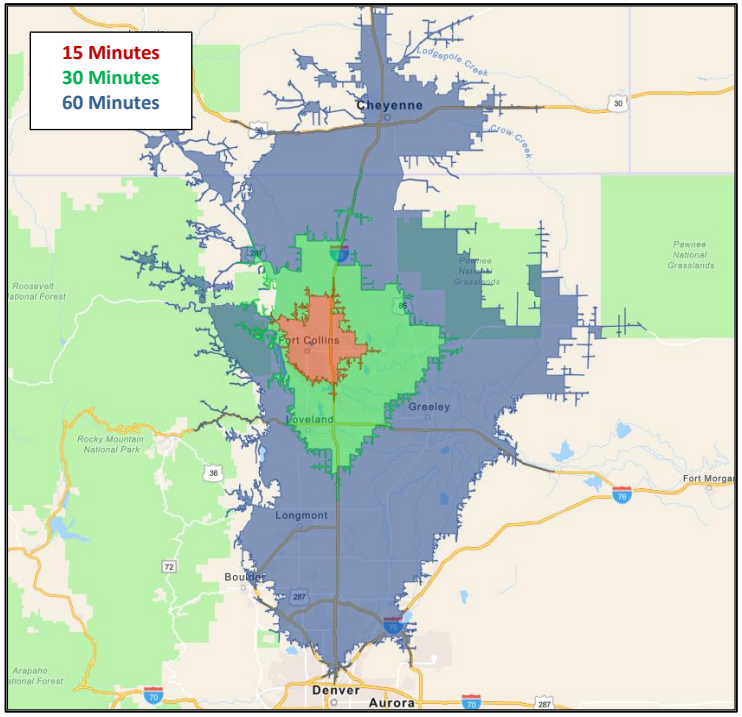
Northfield is conveniently located close to retail, grocery, gas, dining, entertainment and other basic consumer needs. The nearest grocery store (Walmart Supercenter) is located less than one mile away (1250 E. Magnolia Street), while the nearest Safeway is located 1.6 miles away at 731 S. Lemay Avenue.

The Subject Property is conveniently located only one mile from downtown Fort Collins (Old Town). It is located approximately two miles from UC Health Poudre Valley Hospital (1024 S. Lemay Avenue) and 3.5 miles from Colorado State University. New Belgium Brewery (500 Linden Street) and Odell Brewery (800 E. Lincoln Avenue) are both located approximately one mile from the Subject Property. Budweiser Brewery (2351 Busch Drive) is located approximately 4.5 miles away.

The Shops at Foothill Shopping Center (215 E. Foothills Parkway) is approximately 5 miles away. This recently renovated (2015) mall features Macy's, Nordstrom Rack, Sears and Ross department stores and a long list of specialty stores and restaurants.

The Kingfisher Point, Riverbend Ponds, and Running Deer natural areas are located less than four miles away to the southeast. Horsetooth Reservoir is located approximately nine miles away. Fort Collins Country Club and golf course are located just over two miles away.

Exhibit 2 ***: Site Drive-Time Map***



The community is under the jurisdiction of the Poudre School District with the following schools servicing the site. Fort Collins High School (6/10 greatschools.org rating and 7/10 on college-readiness), Lincoln Middle School (2/10 greatschools.org rating), and Tavelli Elementary (8/10 greatschools.org rating). Tavelli Elementary is located less than one mile from Northfield, Lincoln Middle School is located 4.1 miles away and Fort Collins High School is located 5.7 miles away.

Exhibit 3 ***: Regional Locational Reference Map***

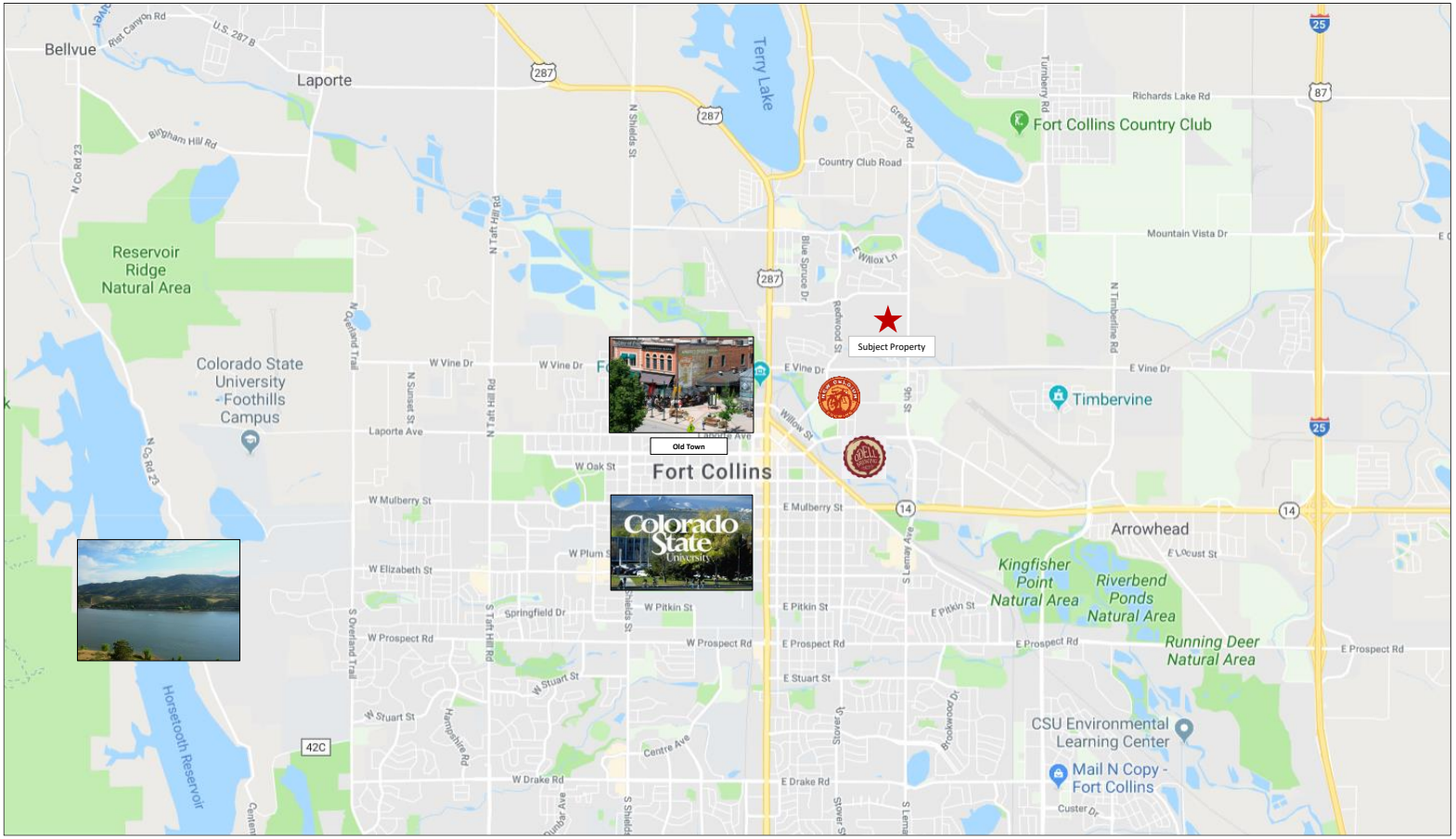


Exhibit 4 ***: Northfield Site Layout Plan***

Methodology

The Northern Colorado Market and the Northfield Competitive Market Area were analyzed by evaluating historical trends in housing supply, demographics, employment, and household formation to determine economic expansion trends and associated levels of housing demand. Further, to supplement the data indicating increasing demand from surrounding areas into the broader Northern Colorado Market area, we reviewed nearby major employment centers and known workforce commuting patterns.

The Metrostudy housing survey tracks lot development and home construction activity on a quarterly basis. The on-site physical inspections track all activity related to new for-sale activity housing in the 11-county Colorado Front Range region. The survey provides us with quantitative and qualitative data to measure the size of the total market, as well as supply and demand within individual sub-markets. Further, it helps us establish the depth and scope of the competition. In this study, Metrostudy supplemented the quarterly data with extensive fieldwork specifically needed to analyze the Northfield competitive market area within the Northern Colorado Market. Please note figures provided by the Client and homebuilder(s) within the community may sometimes vary slightly based on timing of our site inspections and methodologies used in defining homes closed.

Definitions

- **Annual Starts:** The number of homes started during the last four quarters. A "start" occurs when a slab or foundation is poured.
- **Annual Closings:** The number of homes closed during the last four quarters. A "closing" occurs when a home becomes occupied. Metrostudy tracks move-ins, as they are a better indicator of demand than deed deliveries.
- **Square Footage:** All measures of a home size are in terms of air-conditioned space.
- **Models:** Must be fully finished, furnished and decorated.
- **Finished Vacant:** Construction is complete, the site is clean, but there is no evidence of occupancy.
- **Finished Vacant Months of Supply:** F/V months of supply is calculated by dividing the number of F/V homes by the current annual closings pace; and then multiplying by twelve to yield months.
- **Vacant Developed Lots:** Also referred to as "VDL" and "Finished Lots"; a lot on a recorded plat with streets and utilities in place, ready for construction of a new home.
- **Vacant Developed Lots Months of Supply:** VDL months-of-supply is calculated by dividing the number of VDL by the current annual starts pace; and then multiplying by twelve to yield months.
- **Future Lots:** Lots that are in the entitlement process, platted, and under development, but not yet fully developed.

Exhibit 5 ***: Northern Colorado Market Delineation Map***

- **Northern Colorado Market:** Defined as the Northern Colorado MSA, or Metropolitan Statistical Area, includes all of Larimer and Weld Counties.

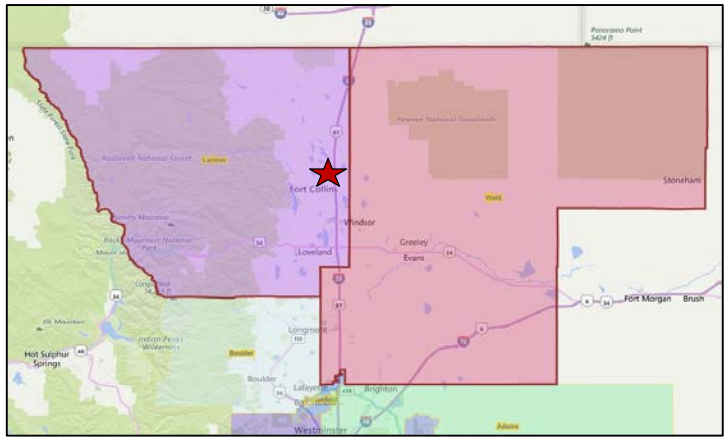
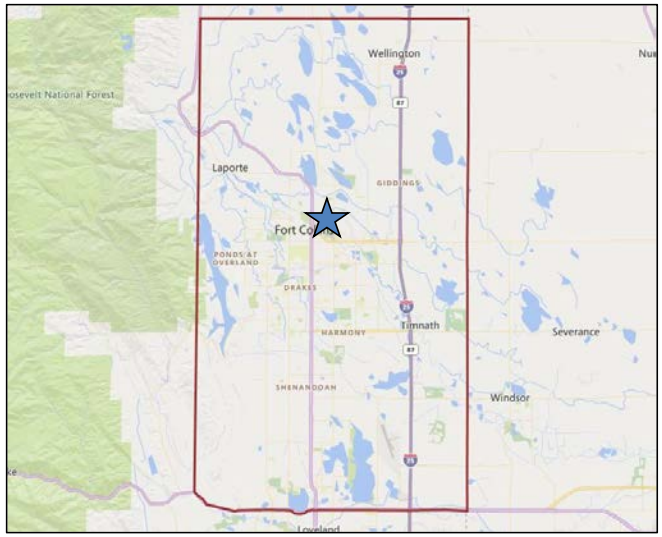


Exhibit 6 ***:* Northfield *CMA Delineation Map***

- **Northfield CMA:** The Northfield Competitive Market Area ("CMA") includes a representative portion of the competitive new housing market in the Northern Colorado Market. The north border is at County Road 66, just north of the city of Wellington. The eastern border follows the Larimer/Weld County line and the southern border follows Highway 34. The western boundary generally follows the base of the foothills and the eastern edge of Horsetooth Reservoir. The CMA boundary takes into account the location of projects comparable/competitive to the proposed subject property site, as well as other considerations such as natural boundaries, highway corridors, and municipal and school district boundaries.



Housing Market Statistics and Analysis

The most recent low point for housing starts in the Northern Colorado Market came at the end of the Great Recession in 2009 when builders started only 971 homes. From then, up until 2019, home starts had continued to grow from year-to-year. In 2019, homebuilders started 4,538 new homes, which was less than a 1% decline from the 4,559 new home started in 2018. This was the first decline in starts for the Northern Colorado Market in nine years. In the first quarter of 2020, the Northern Colorado Market started 1,385 new homes, 34.6% more than the first quarter of 2019 (1,029 starts).

The most recent low point for new home closings came in 2011 when homebuilders in Northern Colorado closed 1,400 homes. With final new home closing figures reaching 4,575 transactions in 2019, the Northern Colorado Market experienced its eighth consecutive year of positive gains. This volume of new home closing transactions exceeded 2018's mark of 4,486 closings by 2%, the lowest percentage gain in this eight-year run. Through the first quarter of 2020, the Northern Colorado Market closed 1,062 new homes, 16.7% more than the 910 new homes closed in the first quarter of 2019.

Even though the Northern Colorado Market started the year with considerable momentum, beginning in mid-March the COVID-19 pandemic began significantly impacting the local economy. All the preventive measures taken to reduce the health impact of the virus significantly reduced the amount of home buying activity that is typical during this time of the year. The magnitude and duration of the impact from COVID-19, especially on consumer behaviors, are unknown and difficult to define at this time. The initial health concerns in Colorado which surfaced in late February quickly accelerated to the point where State and local governments issued unprecedented Stay-at-Home measures to "flatten the curve" in order to not overwhelm the capacities of the State's hospitals and health care professionals.

Through a series of measures progressing from a shutdown of schools, restaurants, and non-essential businesses, social distancing guidelines, and concluding with the unprecedented State-ordered stay-at-home measure on March 25th, causing businesses to begin furloughing or laying off workers. This in turn, has resulted in a significant short-term, and possible long-term economic impacts, all dependent on the time it takes to get the health crisis caused by the virus under control. The pace and rise of unemployment claims in March and April were staggering in its pace and volume.

The new home construction industry has been classified as an essential business for the duration of the stay-at-home orders, which allowed homebuilders to continue/complete construction on their homes in backlog, which were at a relatively high level given the strong levels of sales activity in the first 2 ½ months of the year. However, from a sales perspective, with the stay-at-home directive in place, builders have had very limited capacity to perform real estate transactions while consumers were having to be in this stay-at-home mode. All builders had to limit visitations to their model home sales centers to by appointment only, putting more reliance on virtual sales activity via their websites and social channels. Sales activity steadily declined as the buyer pool diminished. In addition, a percentage of the contract backlog generated in January, February and the first half of March, have cancelled due to these buyer's own economic and health uncertainties.

Governor Polis ended the State's "Stay-at-Home" orders on April 26th and transitioned to a newer "Safer-at-Home" measure, which still has major limitations on certain commerce activities. Rather than follow the Governor's lead, mayors and county leaders in several (not all) front range cities and counties chose to extend their stay-at home orders to May 8th (Weld County – April 26th | Larimer County – May 8th). The "Safer-at-Home" measures allow for restaurants and retail stores to open up with social distancing caveats. Obviously, these limitations will make it more difficult for normal economic transactions to occur, including and especially in regards to new home transactions. The "Safer-at-Home" measures allows for more public movement and economic activities to occur, but at a significantly lower level than what was occurring prior to the outbreak.

The duration and consequences of both the health and economic crisis in the State remain largely unknown and the economic outlook is dependent on the virus being controlled to a point where State officials feel safe in fully restoring public movement and normal economic activities. It is becoming evident there will be a graduated restoration of public movement, with continued demands for physical distancing. Beyond what is being allowed, a major unknown lies in the behavior and the levels of consumers engaging in a still unfamiliar health environment. From an economic standpoint, the longer the duration, the larger the negative effect on some businesses, which in turn will continue to result in short-term employee furloughs and layoffs and a higher probability of permanent job losses.

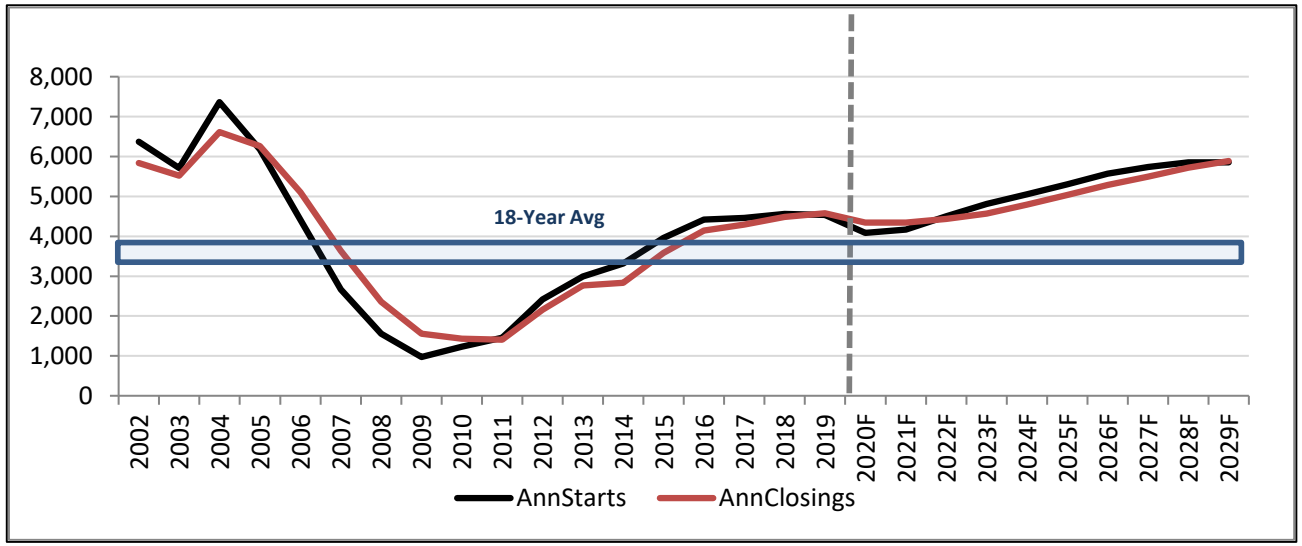
Due to the continued health and economic uncertainties related to the COVID-19 outbreak, Metrostudy has provided three scenarios (presented on next page) that are directing our future housing forecasts as the market proceeds in these unprecedented times. For the purpose of this report, we are using Scenario 1 for guiding our housing forecast.

Exhibit 7 ***: COVID-19 – New Housing Recovery Scenarios***

Scenario 1	
Health	No second 'bounce' in cases that would result in a repeat of stay-at-home measures for the rest of the year. Attain and remain at Level 3 or beyond "Protect our Neighbor" stage. Testing measures available for all. Vaccine available by/before end of year.
Government	Restaurants allowed to stay open at 50% capacity in the short term and expand to full capacity by end of year. Large gathering events allowed in the second half of the year (i.e. sports, concerts, etc.). Daycares allowed to stay open. Children able to attend school in the Fall. Governmental offices open up to allow return of normal permitting and inspections.
Economy	Unemployment rate drops back to below 8% by end of July and 6% by end of year. Initial unemployment claims drop to normal levels. Airline travel returns to at least 75% of normal before end of summer. Stock market stabilizes – Dow Jones Index above 25,000. Retail spending at 95% or greater of 2019 levels
Housing	Model homes stay open up without any major restrictions. Resale market at least 75% of 2019 listings and sales levels. Resale inventory supplies stay low - below 2.0 months Mortgage rates remain below 3.5% for a 30-year term. Completed new home inventory remains at or below equilibrium of 1.5 to 2.0 months. New home start levels are **< 10%** below 2019 levels.
	Public narrative regarding economic concerns significantly outweighs health fear concernss.
Scenario 2	
Health	Maintain or exceed Level 2 "Safer at Home" stage Testing measures available for all those in need. Vaccine annoucement by end of year.
Government	Large public gathering events reduced to 50 people, continuing restriction on attendance at concerts, sporting events and festivals. Daycares open. Children able to attend school in the Fall. Restaurants allowed to remain open, but only at 50% capacity for the remainder of the year.
Economy	Unemployment rate settles in between 8% and 10%. Airline travel returns to 50% to 75% of 2019 levels by end of year. Retail spending at 80% to 95% or greater of 2019 levels Stock market volatile, but Dow Jones Index stays between 20,000 and 25,000.
Housing	Model homes open for normal visits (with minor restrictions; i.e. face masks and physical distancing). Resale market at 50% to 75% of "normal" listings and sales activity. Due to continued physical distancing requirements, construction timelines remain less efficient and municipal permitting and inspections delayed or unpredictable. Completed new home inventory grows above 2.0 months. New home start levels are **10% to 20%** below 2019 levels.
	Public narrative regarding economic concerns is balanced with health fear conversations.
Scenario 3	
Health	Return to Level 1 "Stay at Home" stage again. Testing measures remain limited. No vaccine annoucement by end of year.
Government	Daycares and schools forced to close in the Fall, potentially requiring at least one adult family to stay home. Continued restrictions on large gathering events for the remainder of the year. Restaurants forced to close again due to second "wave".
Economy	Unemployment rate settles in > 10%. Airline travel remains below 50% of 2019 levels for at least remainder of year. Retail spending at less than 80% of 2019 levels Stock market volatile - Dow Jones Index drops below 20,000.
Housing	Model homes sales centers forced to close or operate by appointments only. Resale market at less than 50% of "normal" listings and sales activity. Price depreciation in resale and new home markets. Notice of foreclosures become part of narrative. Resale inventory climbs above 4.0 months supply. New home start levels are **> 20%** below 2019 levels.
	Public narrative regarding health concerns significantly outweigh economic concerns.

Based on events noted in Scenario 1, Metrostudy believes the Northern Colorado Market's new housing production levels by year-end 2020 will likely see a +/-10% decline in new home starts and a +/-5% decrease in annual new home closings from 2019 volume levels, due to the supply/demand contractions which occurred from mid-March to the end of April/first of May. Also in this scenario, start activity is anticipated to see a slight 2% gain in 2021. Closing activity levels in 2021 are anticipated to remain consistent with 2020 volumes. Attaining these figures are based on the health and economic concerns staying within the general parameters defined in Exhibit 7.

Exhibit 8 ***: Northern Colorado Market Historical & Forecast of Total Starts & Closings***



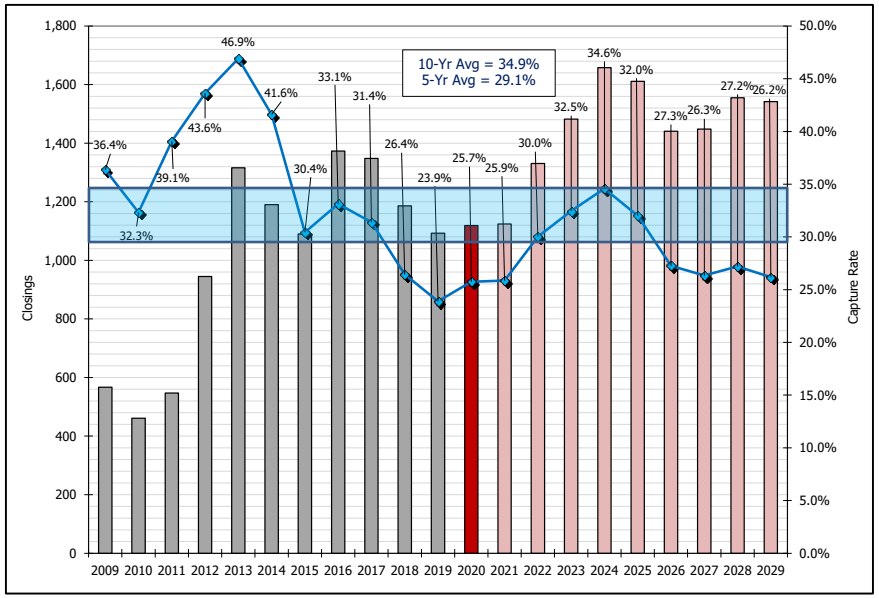
Like the entire nation, the Northern Colorado Market economy has been shocked by the effects of the COVID-19 outbreak. However, Metrostudy believes the Northern Colorado Market's strong demand and tight supply conditions prior to the outbreak, its quality of life, and its diversified economy will enable it to rebound once there is more clarity provided with the health hazards.

Competitive Market Analysis

Metrostudy coupled a review of historical data obtained from its quarterly survey with current field research to evaluate the competitive new housing environment within the Northfield CMA. We reviewed the CMA's historical capture percentage within the Northern Colorado region and evaluated land and lot supplies to project its future capture rate. The exhibit on this page is an illustration of the CMA's historical and projected maturation process. Actual annual closings within the CMA are noted from 2009 through 2019 in the grey columns. The solid blue-line represents the CMA's capture rate of all annual closings within the Northern Colorado Market. A housing forecast for 2020 through 2029 is provided, identified by the red columns. More discussion of these figures is offered in the following pages concentrating on the CMA's Housing and Lot Supply Build-out model (Exhibit 12). Over the past 11 years, the Northfield CMA has reported a broad range of volume in new home closings.

- In 2009, the Great Recession's impact on the CMA was significant, as new home closing volume dropped 35.3% to 567 transactions compared to 876 reported in 2008. The CMA's share of the overall Market in 2009 was still a significant 36.4%, down only slightly from the 37.1% reported in 2008.
- In 2010, the CMA experienced a 18.7% decline in new home closings (461 transactions), as the damaging effects of the Great Recession lingered in the CMA. In 2011, the CMA rebounded back to nearly 2009 levels, reporting 547 closings and a 39.1% share of the overall Northern Colorado Market.
- The CMA gained considerable ground in 2012 with 945 closings (+73%) and momentum continued into 2013 with 1,316 closings and a 46.9% market share.
- In 2014, the CMA experienced a surprising 9.6% decline to 1,190 new home closings and saw its capture rate of the Market drop down to 41.6%. Closing volumes in the CMA decreased again in 2015, reporting 1,090 transactions and only a 30.4% share.

Exhibit 9 ***: Northfield CMA Closing History & Forecast***



- In 2016, 1,373 new home closings were recorded in the CMA, a 26.0% increase over 2015 and a 33.1% capture rate of the overall Northern Colorado Market. In 2017, closing transactions were slightly lower, registering 1,348 new home closings and a 31.4% market share.
- In 2018, the CMA experienced a 12.0% decrease in new home closings, finishing up at 1,186 home closings. However, its share of the overall market dropped to 26.4%, as the market grew while the CMA declined. In 2019, the closing volume for the CMA was 1,093 homes, its lowest level in four years. The CMA's share of the overall Market declined to its lowest level in the past decade.
- As of the first quarter of 2020, 261 new home closings have occurred, 29.9% ahead of the pace of first quarter 2019 when 201 new homes were transacted.

The decline in market share for the CMA over the past several years can be explained by its new home prices being higher than the overall Market, a decline in the number of active projects, and a temporary reduction in the future pipeline due to governing land development policies and the challenges of finding raw water for projects. Recent events, including the city's recent temporary moratorium of metropolitan district formations for residential developments until at least January 2021 along with the significant increases in raw water costs has made getting a project out of the ground more challenging. The introduction of denser and lower priced new housing supply will aid the CMA to realize more demand and increased share moving forward.

Exhibit 10 ***: Selected CMA Communities Historical Closings Trends***

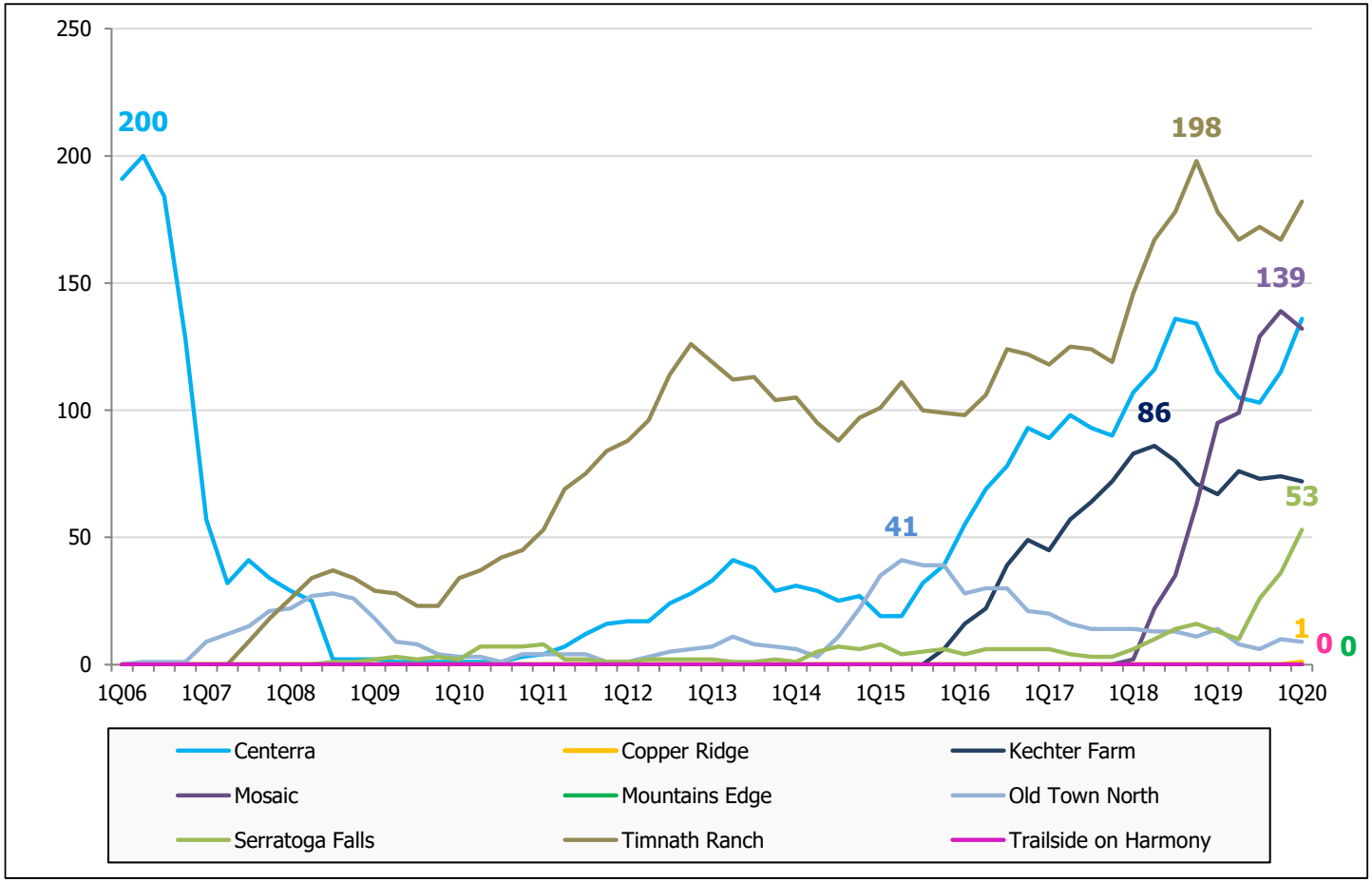
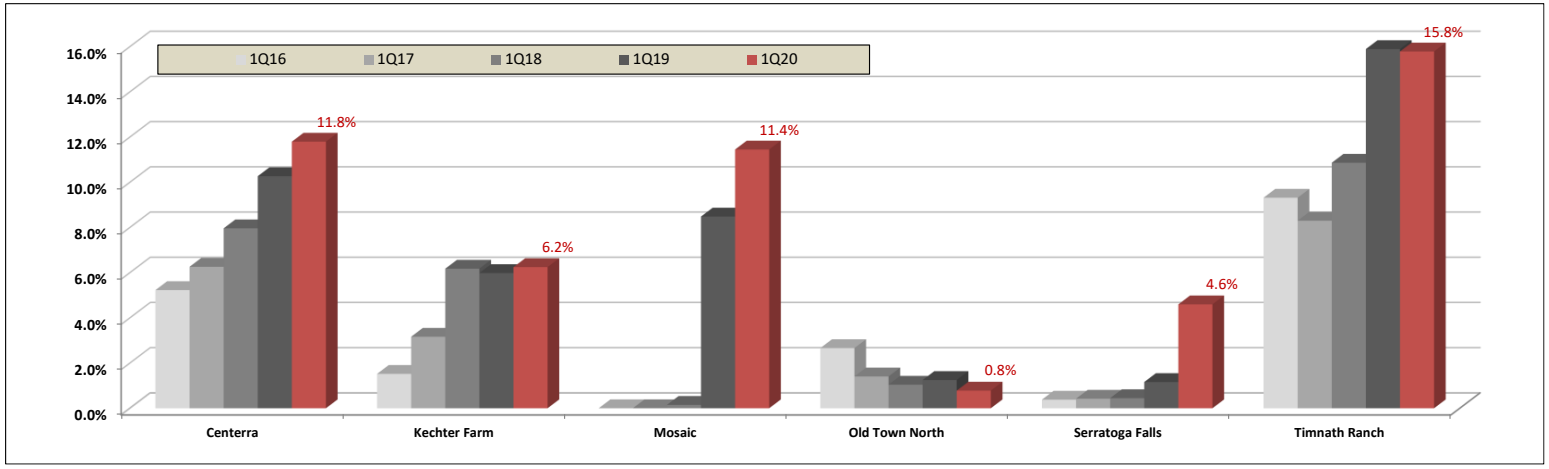


Exhibit 11 ***: Selected CMA Communities Market Share***



Master Planned Community	% Built-Out	Occupied	Total Lots	Lots Remain	VDL	Home Inv	Ann Starts Capture	Historical Capture Peak & Qtr		Ann Close Capture	Historical Capture Peak & Qtr	
Centerra	62.1%	1,302	2,098	796	72	82	8.9%	12.1%	4Q19	11.8%	11.8%	1Q20
Copper Ridge	0.7%	1	152	151	72	79	6.2%	6.2%	1Q20	0.1%	0.1%	1Q20
Kechter Farm	68.2%	283	415	132	70	62	5.7%	8.0%	3Q18	6.2%	7.1%	2Q19
Mosaic	23.2%	229	987	758	142	97	11.5%	13.1%	2Q19	11.4%	12.7%	4Q19
Mountains Edge	0.0%	0	120	120	108	12	0.9%	0.9%	1Q20	0.0%	0.0%	N/A
Old Town North	68.1%	190	279	89	23	7	0.9%	4.0%	4Q14	0.8%	3.6%	4Q15
Serratoga Falls	15.5%	106	683	577	133	44	6.6%	6.6%	1Q20	4.6%	4.6%	1Q20
Timnath Ranch	42.3%	1,277	3,016	1,739	162	115	13.7%	16.0%	4Q11	15.8%	16.7%	4Q18
Trailside on Harmony	0.0%	0	569	569	167	53	4.1%	4.1%	1Q20	0.0%	0.0%	N/A
Combined Total	---	3,388	8,319	4,931	949	551						

For the trailing 12 months ending the first quarter of 2020, Timnath Ranch (15.8%) led the CMA in closings, followed by Centerra with a 11.8% capture rate. Mosaic with 11.4%, located east of the Subject Property, offers an affordable mix of townhomes, duplexes, and alley-load and front-load single-family detached homes, and will have condominiums in the future. Rounding out the top five communities were Kechter Farm with 6.2% and Serratoga Falls with 4.6%. Given its location close to Fort Collins' central core of activity and its price positioning relative to other active residential communities, Northfield should fare well upon its introduction, as Metrostudy believes the CMA definitely has the capacity to grow demand if new supplies of homes are available.

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Community-Specific Lot Breakdowns

Currently, there are 2,071 vacant developed lots and an estimated 4,647 undeveloped (under development or platted) lots in actively selling communities. Future projects currently moving through the development process will continue to enter the market in the next decade, pending entitlement approvals and development financing. These future proposed communities have an additional 18,380 potential lots, the most notable of which are 2,383 home sites in the proposed Kinston community in Loveland and 2,310 home sites in the proposed Montava community east of the Subject Property. These communities will ensure the CMA will remain significant as a new housing market, even as currently active communities close out.

For the purpose of understanding market supply in the years ahead, we have projected a build-out of active CMA communities' remaining lots, as well as estimated future projects' lots. This build-out model helps to identify when demand for lots and new home options in this growing corridor will no longer be met within the CMA within the framework of the currently active developments, as well as the possibility of large-scale developments to expand the product offering to fill market voids. This is a comprehensive list of all known lots in this CMA, featuring the larger communities while grouping together the smaller scale communities. Again, projected absorptions for 2020 through 2029 are based on the remaining number of unoccupied homes and home sites yet to be built on within each community per the Metrostudy lot-by-lot survey.

In our model, we have listed the competitive communities with their current housing trends, build-out percentage (highlighted in blue), historical absorption and projected an annual future absorption based on projected growth in the CMA, product segmentation, location strength analysis, and their overall anticipated position within the CMA housing market segment.

Eight future planned communities are represented within the model. All reasonable efforts have been made to determine the conceptual plans of these future communities, but many of these communities, even those with well-executed plans, could face potential delays of one kind or another, changes in product segmentation, and other variables that could affect their market entry timeline. It is important to remember several are still conceptual and undefined future communities, while seeking a more macro view of the future lot supply within the Northfield CMA.

In red at the exhibit's bottom, we have listed the CMA communities' combined annual closings, as well as their combined historical and projected closing totals, representing the CMA totals based on these community absorptions, and further tracking the forecasted CMA capture rate of closings within the overall Northern Colorado Market. This was conducted in coordination with Metrostudy's Northern Colorado housing forecast, also represented in red. Also in red, the Northern Colorado Market actual and projected annual closings are provided.

Exhibit 12 ***: Northfield CMA Projected Build-Out Model***

		All New Housing							*Actual Historical Closings Volume*										*Projected Closings Volume*										
	CMA Selected MPCs	Ann Lot Del	Ann St	Ann Cl	Hm Inv	VDL Inv	Future[1]	Built-Out %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020[2]	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond
	Northfield MD	**0**	**0**	**0**	**0**	**0**	**375**	**0.0%**	0	0	0	0	0	0	0	0	0	0	**0**	**16**	**100**	**85**	**69**	**69**	**36**	**0**	**0**	**0**	---
		0%	**0%**	**0%**	**0%**	**0%**	**2%**	---	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**1%**	**8%**	**6%**	**4%**	**4%**	**2%**	**0%**	**0%**	**0%**	---
Active Development	Centerra	33	114	136	82	72	642	62.1%	3	16	28	29	27	39	93	90	134	115	130	132	132	132	132	132	**38**				
	Copper Ridge	152	80	1	79	72	0	0.7%	0	0	0	0	0	0	0	0	0	0	**152**										
	Kechter Farm	0	74	72	62	70	0	68.2%	0	0	0	0	0	6	49	72	71	74	85	**58**									
	Mosaic	57	148	132	97	142	519	23.2%	0	0	0	0	0	0	0	0	63	139	150	156	156	156	156	**11**					
	Mountains Edge	120	12	0	12	108	0	0.0%	0	0	0	0	0	0	0	0	0	0	66	**50**									
	Old Town North	0	10	9	7	23	59	68.1%	4	1	6	7	22	39	21	14	11	10	10	12	15	15	15	15	**10**				
	Serratoga Falls	146	85	53	44	133	400	15.5%	7	1	2	2	6	6	6	3	16	36	96	96	72	72	72	72	60	**54**			
	Timnath Ranch	70	176	182	115	162	1,462	42.3%	45	84	126	104	97	99	122	119	198	167	156	148	154	154	154	154	154	166	178	178	**184**
	Trailside on Harmony	220	53	0	53	167	349	0.0%	0	0	0	0	0	0	0	0	0	0	54	84	90	90	90	90	**71**				
	Other (Combined)[4]	586	536	568	486	1,122	841	91.4%	402	445	783	1,174	1,038	901	1,082	1,050	693	552	220	300	300	250	250	300	300	300	**173**		
	Active Summary	1,384	1,288	1,153	1,037	2,071	4,647	78.4%	461	547	945	1,316	1,190	1,090	1,373	1,348	1,186	1,093	1,119	1,052	1,019	954	938	843	669	520	351	178	184
Future Development	Encore on 34	0	0	0	0	0	1,000	0.0%	0	0	0	0	0	0	0	0	0	0				48	96	108	108	144	144	144	208
	Kinston	0	0	0	0	0	2,383	0.0%	0	0	0	0	0	0	0	0	0	0		24	96	120	144	144	144	168	180	180	1,183
	Lee Farm	0	0	0	0	0	820	0.0%	0	0	0	0	0	0	0	0	0	0		24	48	72	96	96	96	96	96	96	100
	Montava	0	0	0	0	0	2,310	0.0%	0	0	0	0	0	0	0	0	0	0			48	84	108	120	144	156	156	156	1,338
	Old Hughes Stadium	0	0	0	0	0	700	0.0%	0	0	0	0	0	0	0	0	0	0			24	60	72	72	72	72	72	72	124
	Sanctuary on the Green	0	0	0	0	0	268	0.0%	0	0	0	0	0	0	0	0	0	0		24	48	60	60	60	**16**				
	Waterfield	0	0	0	0	0	807	0.0%	0	0	0	0	0	0	0	0	0	0					48	72	96	96	120	120	255
	Waters Edge	0	0	0	0	0	837	0.0%	0	0	0	0	0	0	0	0	0	0			48	84	96	96	96	96	96	96	129
	Other (Combined)[4]	0	0	0	0	0	9,255	0.0%	0	0	0	0	0	0	0	0	0	0								100	340	500	8,500
	Future Summary	0	0	0	0	0	18,380	0.0%	0	0	0	0	0	0	0	0	0	0	0	72	312	528	720	768	772	928	1,204	1,364	11,837
	CMA Totals:								461	547	945	1,316	1,190	1,090	1,373	1,348	1,186	1,093	1,119	1,124	1,331	1,482	1,658	1,611	1,441	1,448	1,555	1,542	NA
	Northern Colorado:								1,426	1,400	2,166	2,805	2,860	3,581	4,145	4,294	4,486	4,575	4,346	4,346	4,433	4,566	4,794	5,034	5,286	5,497	5,717	5,889	NA
	CMA Capture of Market:								**32.3%**	**39.1%**	**43.6%**	**46.9%**	**41.6%**	**30.4%**	**33.1%**	**31.4%**	**26.4%**	**23.9%**	**25.7%**	**25.9%**	**30.0%**	**32.5%**	**34.6%**	**32.0%**	**27.3%**	**26.3%**	**27.2%**	**26.2%**	**NA**

Notes:

[1] Future lot counts are based on currently known breakouts of lots already identified within the Competitive Market Area. This figure may increase/decrease as future development parcel plans are realized.

[2] 2020 forecast is based on preliminary closing activity within the first quarter of 2020 (based on Metrostudy's lot-by-lot survey), combined with estimates for the remainder of the year.

[3] Information including total lots, closing pace and market entry time frames are estimated for all future communities based on information collected from developers and planners. Some of these future communities may have additional lot counts and sizes as several have not yet been platted. There may be additional future communities currently unknown at this time that enter the market during this time period; some of the communities listed may utimately not enter the market. Actual lot counts and product type may prove different than information collected at this time.

[4] Other (Combined) represent the combined total of remaining CMA subdivisions identified at this time, both within Active and Future segments.

This model tracks a moving target with many variables and requires amending over time as existing and future activity evolves. The Northfield CMA has a ten-year historical Northern Colorado Market closings capture rate of 34.9%, and a five-year average of 29.1%. Given the continued job growth in employment centers along the Interstate 25 front range corridor and specifically in Fort Collins, the CMA can be expected to expand, but could be challenged with supply issues if raw water costs and difficulties in obtaining project approvals increase.

If some of the replacement communities fail to gain traction, due to challenges many developers and land owners face in trying to secure entitlements, water, services and financing, the potential for existing communities to gain market volume exists. Success will be dependent on each of these communities' relevance to the consumer based on work commute times, price attainability and lifestyle. The Subject Property should fare well given its advantageous location near the center of Fort Collins and the breweries, along with its mix of low maintenance condominiums, townhomes, and affordable rental units.

Demand Variance Analysis

While a specific demand analysis was not within the scope of this study, we have provided the basis for some discussion of demand within the Northfield CMA with our forecast of annual closings in the Northern Colorado Market (Exhibit 8), the Northfield CMA (Exhibit 9), and the build-out model (Exhibit 12). We have approached demand using our projected new home closings forecast within the Northern Colorado Market. We accounted for demand based on a review of all active and future lots within the CMA to generate a supply-based CMA capture rate (as noted within the build-out model). From there, we reviewed the ratio of currently active to future planned lots, the transition of communities to build-out, and plausible timelines for new communities. We then reviewed employment trends and the demographic outlook in the area, in addition to housing supply availability, and projected an average CMA capture rate of 28.6%. We acknowledge the potential variances in demand that could result by factors such as mortgage interest rate fluctuations, gaps in lot deliveries, and local job losses or gains resulting in a temporary change in consumer confidence. Because of these potential factors, we display the effects of a +/-2% demand variance in the table below.

Exhibit 13 ***: Potential Demand Variance Analysis Model***

	Northfield CMA														
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Actual					Forecast									
Total Northern Colorado Closings Projections[1]	3,581	4,145	4,294	4,486	4,575	4,346	4,346	4,433	4,566	4,794	5,034	5,286	5,497	5,717	5,889
Total CMA Capture[2]	1,090	1,373	1,348	1,186	1,093	1,119	1,124	1,331	1,482	1,658	1,611	1,441	1,448	1,555	1,542
	30.4%	33.1%	31.4%	26.4%	23.9%	25.7%	25.9%	30.0%	32.5%	34.6%	32.0%	27.3%	26.3%	27.2%	26.2%
Active Communitity Capture[3]	1,090	1,373	1,348	1,186	1,093	1,119	1,052	1,019	954	938	843	669	520	351	178
	100%	100%	100%	100%	100%	100%	94%	77%	64%	57%	52%	46%	36%	23%	12%
Future Community Capture[4]	0	0	0	0	0	0	72	312	528	720	768	772	928	1,204	1,364
	0%	0%	0%	0%	0%	0%	6%	23%	36%	43%	48%	54%	64%	77%	88%
Northfield Closings & CMA %	0	0	0	0	0	**0**	**16**	**100**	**85**	**69**	**69**	**36**	**0**	**0**	**0**
	0%	0%	0%	0%	0%	**0%**	**1%**	**8%**	**6%**	**4%**	**4%**	**2%**	**0%**	**0%**	**0%**
Potential Demand Variance[6]															
CMA @ 26.8% Capture	NA	NA	NA	NA	NA	**44**	**39**	**-144**	**-260**	**-375**	**-264**	**-26**	**23**	**-25**	**34**
CMA @ 30.8% Capture	NA	NA	NA	NA	NA	**218**	**213**	**33**	**-77**	**-183**	**-62**	**185**	**243**	**204**	**270**

Notes:

[1] Annual closings for 2015 to 2019 are based on Metrostudy 4Q19 data for the CMA. Future annual closings between 2020 through 2029 are forecasted by Metrostudy. This level of sales can only be achieved if homebuilders offer appropriately priced product in locations with price ranges in demand by the homebuying public.

[2] Includes all annual closings within the CMA per Metrostudy. Market share percentages between 2015 and 2019 are actual capture rates, at an average of 29.1%. Future closings within this segment were forecasted based on estimated capture rates that follow established start production and closing trends which are consistent with those listed in previous exhibits.

[3] The combined total of all currently active selling communities' related closings within the CMA. 2015 through 2019 figures are actual capture counts, therefore equal 100%. Future closings with this segment were forecasting based on historical and anticipated absorption of these same communities within the CMA up until their completion.

[4] The combined total of all currently future planned communities and their closings within the CMA. Years 2015 through 2019 will not have any activity since these communities are yet to enter the market. Future closings within this segment were forecasted based on estimated market entry for each community and anticipated absorption given what is currently known about each potential community. As with any future plans, all estimates are subject to change. Given today's current housing development environment, it is very possible that some of these communities may never be fully realized, may enter the market at another time than projected, and/or that additional communities currently unknown may enter the market over the next ten years.

[5] Based on the absorption analysis for the subject property, as shown within the build-out model.

[6] Metrostudy acknowledges the potential for a variance in these demand numbers due to fluctuations in a normal market cycle. These include gaps in lot deliveries, unseasonable weather conditions, ebbs and flows in consumer sentiment brought on by fluctuating interest rates or job losse/gains, a well as possible building moratoriums.

This demand analysis is consistent with historical trending and current projected growth within the Northfield CMA. While we believe that these figures represent a realistic view of the market based on our experience, these types of demand models are best served as points of discussion. Should population and household growth in the CMA exceed forecasted growth (with an unexpected arrival of a major employer for example), or should migration patterns prove a catalyst for even greater overall growth, these figures may be conservative. By contrast, should growth fall behind forecasted estimates, due to a slowdown in local employment growth or if the national economy slows, these figures may prove optimistic.

Conclusions

Northfield has the ability to capture a significant share of the CMA's home buying demand with the mix of low maintenance product offering proposed by Landmark Homes and Dream Finders Homes at affordable price points relative to the market, especially given its urban/semi-urban location. As employment in the area continues to expand in the Northern Colorado Market and as Fort Collins remains a desirable place to live and work, the subject property will continue to benefit, attracting prospective buyers employed in the area looking for housing with walkable opportunities and reasonable commute travel times.

Absorption

Based on this review of the competitive market area, the projected build-out and demand analysis, product mix and other information provided by the Client regarding the subject property, Metrostudy has provided an absorption schedule forecast of the lots for the for-sale housing within Northfield Metropolitan District set forth in the exhibit below.

Exhibit 14 ***: Northfield Absorption Projection Summary***

Product Type[3]	Average Close Price[1]	Unit Mix[2]		2020				2021				2022				2023				2024				2025				2026				2027			
		Lots	%	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Dream Finders Homes - Brownstone Townhomes	$479,620	139	37.1%								8	8	8	8	8	8	8	8	9	8	8	8	9	8	8	8	9								
Landmark Homes - Discovery Series Condos	$314,706	40	10.7%								4	4	4	4	8	8	8																		
Landmark Homes - Discovery Series Townhomes	$329,570	16	4.3%								4	4	4	4																					
Landmark Homes - Condominium Flats	$374,046	180	48.0%									9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9				
Total		375	100.0%	0	0	0	0	0	0	0	16	25	25	25	25	25	25	17	18	17	17	17	18	17	17	17	18	9	9	9	9	0	0	0	0
				0				**16**				**100**				**85**				**69**				**69**				**36**				**0**			

Notes:

1- Average Close Price was calculated as the average among a representative sampling of builder floor plans (when available) selling at base prices with a lot premium average and option/upgrade package estimate based on all currently available information regarding the Subject Property as provided by the Client, and an analysis within the competitive market.

2- Unit mix is based upon preliminary information from the Client. Construction and closings schedule is based on first closings occuring in the 4th quarter of 2021.

3 - Product type information provided by Client.

Based on these product offerings and their price positioning, Metrostudy believes Northfield has the potential to absorb up to 100 for-sale homes annually at full production when all products are available for the entire year. This translates to an approximate average of 25 home closings per quarter combining all product lines.

The CMA's capture rate of the Northern Colorado Market has averaged 29.1% over the past five years (2015 to 2019). Based on growth trends and competitive conditions, land availability and pricing comparable to the Market as a whole, Metrostudy estimates the future capture rate to average +/- 28.6% of the Northern Colorado Market's new housing activity over the next ten years. Metrostudy believes Northfield has the potential to capture 4% to 8% of the CMA's total home closings in its most productive years.

If the Northern Colorado Market achieves greater volumes than those forecasted by Metrostudy, absorption potential would obviously increase. On the other hand, if home prices continue to increase in the Northern Colorado Market and if mortgage rates were to substantially rise, the purchasing power of potential homebuyers would decline, forcing many buyers to opt for a home at a lower price, with different features, in a different location, or make the decision not to purchase a home altogether. And finally, should other communities build-out earlier than expected, or run short on available lots, capture rates would also increase (at the same time, if other competition emerges sooner than expected, capture rates would decline).

Price Positioning in the Competitive Market

Metrostudy has evaluated the CMA in terms of price positioning, absorption levels, and market share. The recommendations and conclusions with respect to estimated pricing for the Northfield Metro District area are based on present competition and market conditions. We have utilized proposed plan information and size averages as provided by the Client.

To calculate average closing prices, past deed records for competitive communities were reviewed and values for lot premiums and options/upgrades were estimated based on field data collected from interviews with sales agents. Premiums varied based on the product line offered and consumer targeted. For details per product offering on anticipated base pricing, premiums and options/upgrades percentages, and estimated closing prices please refer to the Northfield Pricing Guidelines in Exhibit 15 on the next page.

Exhibit 15 ***: Northfield Home Pricing Guidelines***

	Plan	Unit Size (Sq. Ft.)	Base Price ($)	Base $/Sq. Ft.	Lot Premium	Opt/Upgrade	Est. Close Price	Close $/Sq. Ft.
Dream Finders Homes - Brownstone Townhomes	A	1,675	$425,000	$253.73	0.5%	3.0%	$439,939	$262.65
	B	1,944	$470,000	$241.77	0.5%	3.0%	$486,521	$250.27
	C	2,148	$495,000	$230.45	0.5%	3.0%	$512,399	$238.55
		1,922	$463,333	$241.98	0.5%	3.0%	$479,620	$250.49
Landmark Homes - Discovery Series Condos	Cascade	1,230	$289,000	$234.96	0.5%	2.0%	$296,254	$240.86
	Monarch	1,472	$325,000	$220.79	0.5%	2.0%	$333,158	$226.33
		1,351	$307,000	$227.87	0.5%	2.0%	$314,706	$233.59
Landmark Homes - Discovery Series Townhomes	Eldorado	1,421	$311,000	$218.86	0.5%	2.0%	$318,806	$224.35
	Timberline	1,625	$332,000	$204.31	0.5%	2.0%	$340,333	$209.44
		1,523	$321,500	$211.58	0.5%	2.0%	$329,570	$216.89
Landmark Homes - Condominium Flats	Stanford	962	$335,000	$348.23	0.5%	1.0%	$340,042	$353.47
	Princeton	1,019	$348,000	$341.51	0.5%	1.0%	$353,237	$346.65
	Oxford	1,072	$358,000	$333.96	0.5%	1.0%	$363,388	$338.98
	Harvard	1,098	$366,000	$333.33	0.5%	1.0%	$371,508	$338.35
	Yale	1,328	$399,000	$300.45	0.5%	1.0%	$405,005	$304.97
	Cambridge	1,383	$405,000	$292.84	0.5%	1.0%	$411,095	$297.25
		1,144	$368,500	$325.05	0.5%	1.0%	$374,046	$329.95

- *Plan information for the Subject Property is based on information provided by the Client.*
- *Base prices and closing prices are projections based on the analysis conducted of the competitive market area and an evaluation of the Subject Property's community and product attributes relative to the market.*
- *All pricing is based on "today's" market conditions.*
- *Metrostudy estimates a 3% annual increase in new home prices in the CMA.*

For-Rent Market Assessment

Metrostudy reviewed the estimated market value of the two "market-rate" rental units located above the retail space. On the next page is an estimated total market value of the apartment units, based on the market conditions at the time of this study. The proposed apartment units are positioned within the range of for-rent competitors in the area, both as rental units on a unit size per monthly rental rate, and against the most recent total value assessments for each community. Findings are based on current market conditions, and the competitive market will need to be monitored and reviewed by the time these units are offered to the marketplace.

Metrostudy estimated the community and proposed lease rates for the Subject Property. Metrostudy has provided an absorption forecast based on the certificate of occupancy schedule estimate provided by the Client, which we believe is easily attainable and supported within this report given the small unit count.

Exhibit 19 below provides an illustration of the anticipated lease-up period for the two "market-rate" apartment units within Northfield Metropolitan District.

Exhibit 16 ***: Northfield Apartment Certificate of Occupancy Schedule***

Planning Area/Product Type[2]	TMV Assessment[1]	Unit Mix		2020				2021				2022				2023				2024			
		Lots	%	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Affordable Apartments	$245,000	2	100.0%											2									

Notes:

1- The Total Market Value Assessment ("TMV") is based on the most recently available assessments of each property. Valuations at the Subject Property's release may require adjustment.

2- Build-out reflects construction on the two apartments to occur in 2022. Taxes on apartment units are collected regardless of their occupancy status.

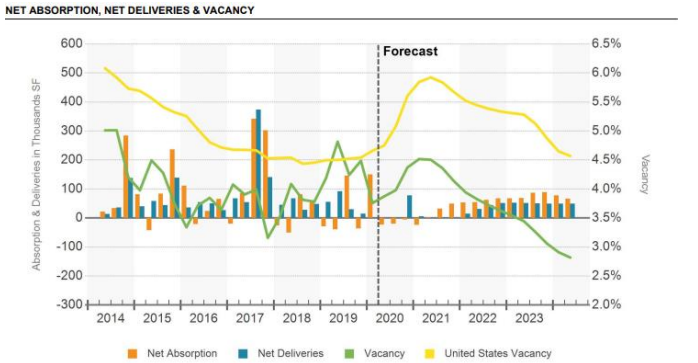
Retail Market Potential Analysis

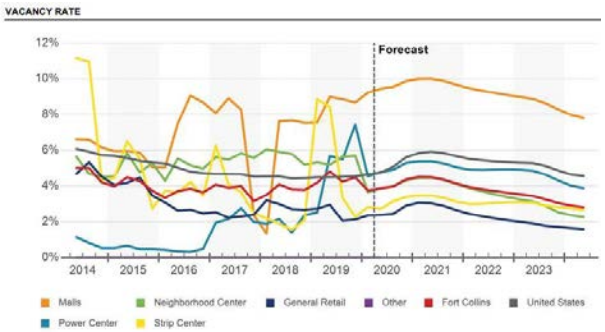
Northern Colorado Retail Market Overview

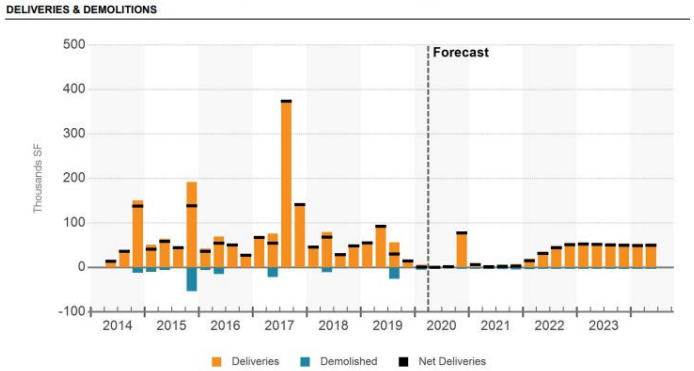
For purposes of examining the performance of the regional retail market, Unique Properties Fort Collins Q1 2020 retail report was acquired and examined. As shown on the excerpts below, Unique reports retail vacancy was tight prior to the pandemic in Q1 2020, while rents had been growing at a slow pace but still growing. The pandemic will likely have a short-term effect on the smaller retailers as well as larger retailers that have heavy debt loads. However, the strong fundamentals of population growth, increasing incomes, and in-migration the area should continue to growth in the long term. Though not all of these regional trends are applicable to the Northfield CMA, they do offer insight regarding overall trends:

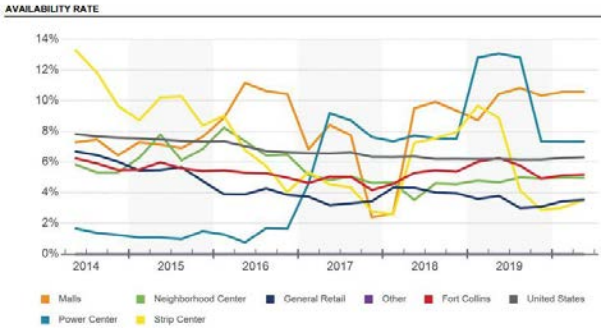
Exhibit 17 ***: Retail Summary and 2020 Outlook (Market)***

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
146 K	229 K	3.8%	2.9%





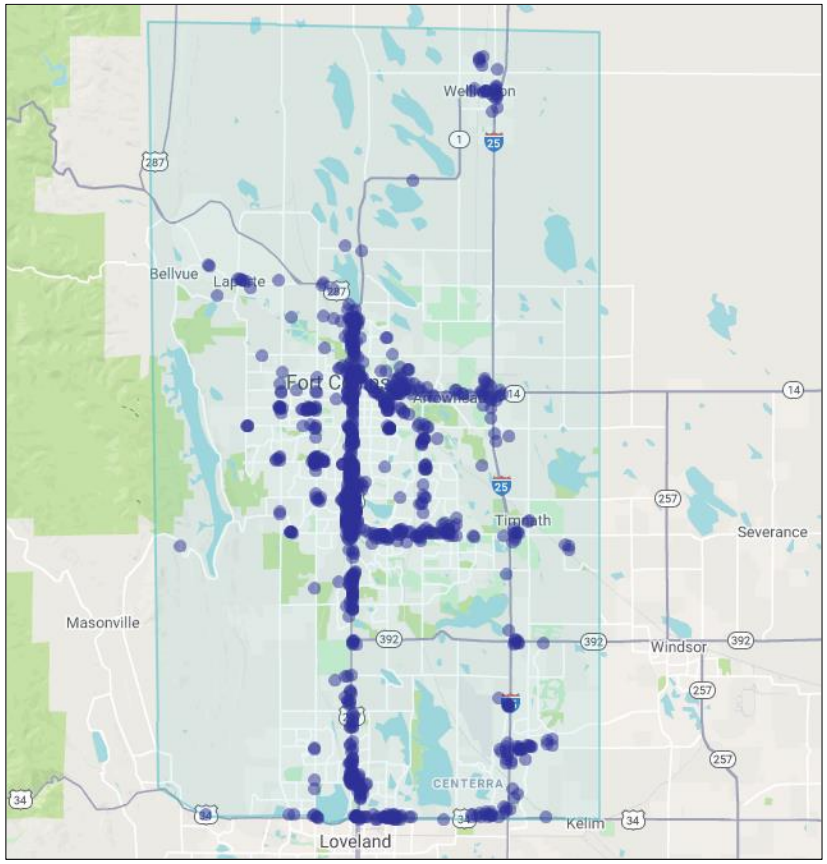




CMA Retail Market Overview

The Competitive Market Area defined for the Northfield property in terms of retail space is shown below ("Commercial CMA"):

Exhibit 18 ***: Commercial CMA for the Subject Property***



Within this Commercial CMA, there is currently a total of 18.182mm square feet of retail space (source: Reonomy). As shown on the map above the majority of the current retail is located along State Road 14 and U.S. Route 287. The demand for this square footage is largely a function of local resident spending. As the local population grows, local retail demand grows. New home construction and sales generate new households, which are projected to increase the population as shown in Exhibit 22 during the next five years.

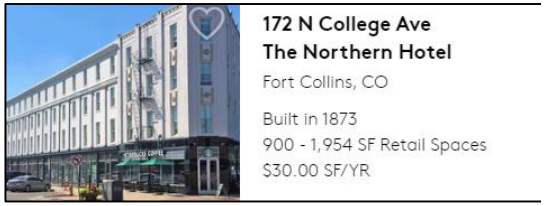
Exhibit 19 ***: Housing and Population Forecast***

Northfield CMA	*Total Population*		
	2010 Census	**2020 Estimate**	**2025 Projection**
Population	229,246	278,206	298,560
Total Numerical Change	---	48,960	20,354
Total Percent Change	---	21.4%	7.3%
Annual Number Change	---	4,896	4,071
Annual Percent Change	---	2.0%	1.4%
Households	91,132	110,971	119,322
Total Numerical Change	---	19,839	8,351
Total Percent Change	---	21.8%	7.5%
Annual Number Change	---	1,984	1,670
Annual Percent Change	---	2.0%	1.5%
Average Household Size	2.5	2.5	2.5
CMA % of Market			
Population	41.5%	40.5%	39.4%
Households	43.5%	42.6%	41.6%

Source: Metrostudy/Neustar/U.S. Census Bureau

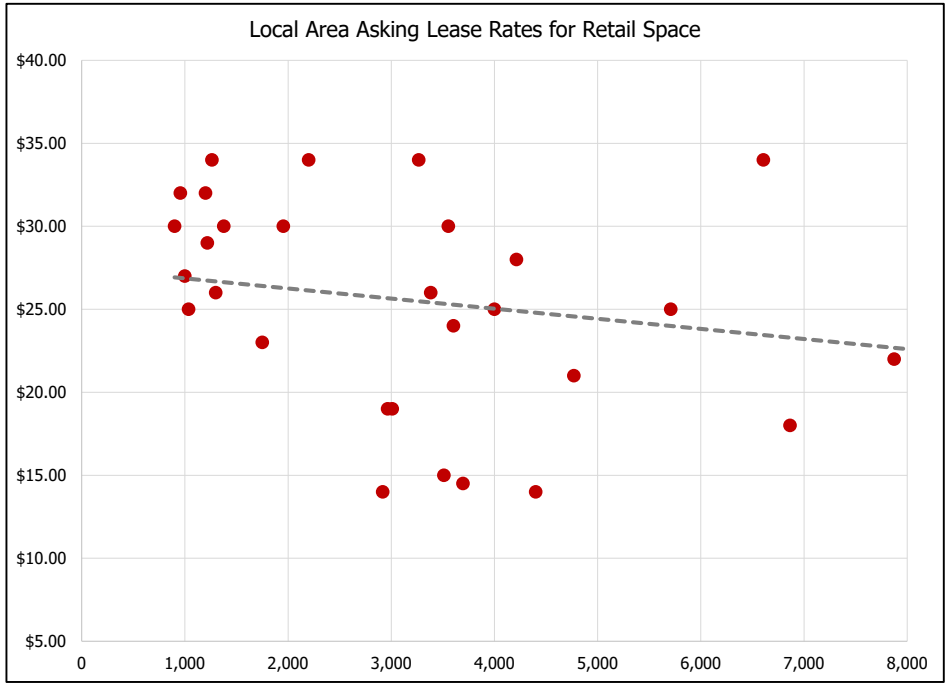
Local retail listing activity is more robust towards the highway corridors in the CMA. As the population grows, so does the opportunity for various types of retail space as various demand thresholds are met. Below is a sampling of nearby retail lease listings:

Exhibit 20 ***: Sample of Local CMA Lease Listings***



Based on local area lease data, **new retail space at Northfield would likely achieve higher lease rates than older buildings in the CMA and similar lease rates to newly constructed buildings. The majority of the comparable leases are located near current population but are older buildings**. An expanded set of lease rates for lease listings throughout the Northfield CMA is plotted on the following page:

Exhibit 21 ***: CMA Asking Lease Rates for Retail Space Graph***



Market Lease Rate Lines		
Sq.Ft.	Market Retail Lease Rate Line	Supportable Northfield Lease Rate Line
1,000sf	$26.87/SF/YR	$28.40/SF/YR
2,500sf	$25.95/SF/YR	$27.50/SF/YR
5,000sf	$24.43/SF/YR	$25.80/SF/YR
10,000sf	$21.39/SF/YR	$22.60/SF/YR
25,000sf	$12.26/SF/YR	$13.00/SF/YR
30,000sf	$9.21/SF/YR	$9.70/SF/YR

Source: Various brokers in local area; Metrostudy

For-Sale Values of Retail Space

Recent retail building transactions are available in the CMA. A summary of these transactions is provided in Exhibit 25 below.

Exhibit 22 ***: Sample Retail Building Transactions Since 2019***

Address	Last Sale	Sales Price	Building Sq. Ft.	Price/ Sq. Ft.	Assessed Value	Assessor Market Value	Year Built	Facility Type	Reported Owner
2140 W Elizabeth St, Fort Collins, CO 80521	12-Mar-20	$1,450,000	3,414	$425	$237,597	$819,300	1997	Restaurant	Db Fort Collins 2 Llc
307 S College Ave, Fort Collins, CO 80524	6-Mar-20	$1,225,000	5,029	$244	$189,341	$652,900	1990	Bar	Btog 3 Llc
3519 S College Ave, Fort Collins, CO 80525	3-Mar-20	$1,600,000	2,895	$553	$297,250	$1,025,000	1994	Restaurant	1008 Mchugh Llc, Palmer 3519 College Llc
316 Willow St, Fort Collins, CO 80524	7-Jan-20	$810,000	2,400	$338	$110,432	$380,800	2005	Bar	200395816 Ira
1075 Pennock Pl, Fort Collins, CO 80524	7-Jan-20	$725,000	2,900	$250	$200,158	$690,200	1992	Restaurant	Lc Commercial Llc
3027 E Harmony Rd, Fort Collins, CO 80528	17-Dec-19	$3,700,000	13,875	$267	$667,000	$2,300,000	2008	Retail Store	3027 E Harmony Llc
204 Maple St, Fort Collins, CO 80521	9-Dec-19	$366,275	1,127	$325	$68,701	$236,900	2008	Retail Store	Maple Street Holdings Llc
2201 S College Ave, Fort Collins, CO 80525	9-Oct-19	$23,750,000	68,334	$348	$4,161,500	$14,350,000	2004	Retail Store	Gkt University Plaza Ii Llc
838 W Drake Rd, Fort Collins, CO 80526	20-Aug-19	$525,000	1,930	$272	$117,537	$405,300	2005	Retail Store	Cjdb Llc
1027 W Horsetooth Rd, Fort Collins, CO 80526	16-Aug-19	$8,850,000	15,848	$558	$536,094	$1,848,600	1998	Retail Store	Sc Pvp Holdings Llc
163 W Mountain Ave, Fort Collins, CO 80524	15-Aug-19	$4,600,000	17,375	$265	$690,626	$3,562,500	1936	Restaurant	Mountain 155 Llc Helo Investments Llc
950 S Taft Hill Rd, Fort Collins, CO 80521	8-Aug-19	$1,500,000	5,424	$277	$232,000	$800,000	1996	Restaurant	Gannett West Llc
1425 Rocky Mountain Ave, Loveland, CO 80538	8-Aug-19	$1,350,000	5,520	$245	$299,280	$1,032,000	1999	Restaurant	1425 Rocky Llc
123 N College Ave, Fort Collins, CO 80524	18-Jul-19	$575,000	2,281	$252	$139,171	$479,900	1980	Retail Store	Vanmeveren Holdings Llc
3600 Mitchell Dr, Fort Collins, CO 80525	8-Jul-19	$3,600,000	12,320	$292	$521,420	$1,798,000	1999	Retail Store	Schrader Development Co 86, Wayne K 14 Schrader
645 S Whitcomb St, Fort Collins, CO 80521	26-Jun-19	$700,000	2,065	$339	$114,724	$395,600	1940	Retail Store	Double D Re Llc
1046 W Mountain Ave, Fort Collins, CO 80521	2-Apr-19	$415,000	910	$456	$40,861	$140,900	2017	Retail Store	1046 Mountain Llc
301 S College Ave, Fort Collins, CO 80524	5-Feb-19	$848,450	1,552	$547	$153,004	$527,600	1965	Fast Food	301 S College Llc
200 Walnut St, Fort Collins, CO 80524	2-Jan-19	$2,000,000	3,892	$514	$423,255	$1,459,500	1960	Restaurant	L & Y Investment Llc
	Average	**$3,083,670**	**8,900**	**$346**					
	Median	**$1,350,000**	**3,414**	**$325**					

As shown, the median price for the median size of retail space (3,414 square feet) is $1,350.000. In a latter section of this report, these values were employed as a crosscheck against the valuation figures determined in the residual land valuation analysis for commercial land.

CMA Retail Market 'Gap' Analysis

Retail sales are generally dependent and generated by the local population. This is true for the Northfield market as its location makes it dependent upon local resident demand. Still, there appears to be opportunity for many categories of retail space within the Commercial CMA. When residents do not have sufficient choice to purchase retail goods locally, they are drawn outside of the CMA. The difference between the CMA's retail sales revenue and what CMA residents are actually spending is defined as a 'gap' which identifies a given category of retail space as over or under supplied. However, as with housing during the current COVID-19 pandemic, retail levels will need to be monitored carefully due to the current uncertainty of the market.

The table below presents comparisons of retail sales activity within the defined Northfield CMA as it compares with how much retail spending is represented by residents within the CMA:

Retail Stores	2020 Estimated Retail Sales	2020 Resident Expenditures	2025 Resident Expenditures	CMA Opportunity Gap or (Surplus) 2020	CMA Opportunity Gap or (Surplus) 2025
GLA in Shopping Centers w/in the CMA	3,707,815sf	7,407,914sf	8,093,246sf	3,700,099sf	4,385,431sf
Total Retail Sales Incl Eating and Drinking Places	$1,227,690,645	$2,452,826,587	$2,679,745,838	$1,225,135,942	$1,452,055,193
2020 Retail Expenditures Per Sq.Ft. of Resident Pop	$331.11/sf	$661.53/sf	$661.53/sf		
2020 Retail Expenditures Per Person of Resident Pop	$12,873/person	$25,719/person	$25,719/person		
Total Pop. in CMA (incl. subject site):	95,370 persons	95,370 persons	104,193 persons		
Added Resident Retail Sales Potential From 2020			$226,919,251		
Added Total Retail Sales Potential From 2020			$113,577,798		
Added Resident Retail Sq.Ft. Potential From 2020			343,022sf		
Added Total Retail Sq.Ft. Potential From 2020			171,690sf		

Source: Evironics Analytics; Metrostudy

As shown, CMA residents are spending $6.688bb annually in retail goods while actual retail sales levels within the Commercial CMA are only $5.611bb. The shortfall or 'gap' of $1.077bb retail sales in the CMA reflects expenditures that residents make outside of the CMA – largely because select retail opportunities are either insufficient or unavailable within the Commercial CMA. Based on the population within the CMA, the Northfield CMA could support an additional 3,489,640 square feet of retail space in the current market. Not all of this demand, however, is conducive to neighborhood shopping at Northfield. Still, demand for neighborhood retail will continue to grow over time as new homes are built in the local area.

The 'gap' analysis that is summarized on the previous page is shown in more detail on Exhibit 73, which presents positive 'gaps' in blue and negative gaps in red, as well as the supportable amount of additional square footage per retail category for those categories that reflect positive gaps.

The most potent categories are shown in the table to the right. When viewing this table, it must be noted that the opportunities exist throughout the Commercial CMA. Given the retail options in the area it is likely that a combination of multiple types of retail stores could serve the subject property as shown to the right on smaller scales.

Though some opportunity exists for select clothing/accessory categories, these categories are trending downward in terms of potential due to the growing impact of online retail competition.

Potential Retail Stores at Northfield

Category	Minimum Square Footage Requirements	Examples and Comments	Type
Potential Specialty Stores			
Paint and wallpaper stores	< 10,000sf	Benjamin Moore, Vista Paint, Sherwin Williams	Rg/Tn/Nb
Office supplies and stationery stores	< 10,000sf	Staples, Hallmark, Local Specialty	Rg/Tn/Nb
Women's clothing stores	< 10,000sf	The Loft, Banana Republic, Lulus, LaFleur	Rg/Tn/Nb
Shoe stores	< 5,000sf	Famous Footwear, DSW, Skechers	Rg/Tn/Nb
Experiencial Retail	< 10,000sf	Climbing Walls, Tour Cos., F45 Training, ATV Rental	Town/Neighbor
Health and personal care stores	< 5,000sf	Local specialty	Town/Neighbor
Clothing accessories stores	< 2,500	Local specialty	Town/Neighbor
Jewelry stores	< 2,500	Jared, Zales, Kay	Town/Neighbor
Florists	< 1,000	Local specialty	Town/Neighbor
Luggage and leather goods stores	< 1,000	Local specialty	Town/Neighbor
Gift, novelty, and souvenir stores	< 1,000	Local specialty	Town/Neighbor
Book stores	< 1,000	Local specialty	Town/Neighbor
News dealers and newsstands	< 1,000	Local specialty	Town/Neighbor
Art dealers	< 1,000	Local specialty	Town/Neighbor
Potential Food Services			
Full-service restaurants	5,000-10,000sf	Farm-to-Table, Applebees, BJs, Local Specialty	Rg/Tn/Nb
Limited-service restaurants	< 5,000sf	Fast Food, McDonalds, Carls Jr., KFC	Rg/Tn/Nb
Coffee shops	< 2,500sf	Starbucks, Tea & Leaf, Coffee Bean	Rg/Tn/Nb
Drinking places	< 2,500sf	Local Specialty	Town/Neighbor
Meat markets	< 2,500sf	Local Specialty	Town/Neighbor
Specialty food stores	< 2,500sf	Local Specialty	Town/Neighbor
Services			
Gasoline stations w/ Convenience	2,500-5,000sf	Mavericks, Lvoes, Arco, Chevron	Rg/Tn/Nb
Convenience stores	2,500-5,000sf	7-11, Circle K	Town/Neighbor
Service Retailers	< 2,500sf	Agents, Personal Care, Dry Cleaning, Fitness	T/N/Bus.
Food service contractors	< 2,500sf	Local specialty	Light Ind.
Caterers	< 2,500sf	Local specialty	Bus.Park

Source; Environics Analytics; Metrostudy/Meyers

Though multiple opportunities exist, given the location and size of the subject site specialty restaurants, coffee shop, and office/stationary supply stores should be considered optimal for this site. Experiential retail, and personal services in the form of a fitness/yoga studio, dry cleaning, insurance/real estate agencies/brokerages will be in demand as well. These are uses that are conducive to a neighborhood center and are somewhat insulated from online competition.

Online competition is growing and will reduce demand for those categories of retail space that offer products easily purchased on line. Caution should be applied to select retail-clothing categories. For example, though clothing stores show some promise in the Commercial CMA from the gap analysis, this category of retail space is especially susceptible to growing online competition. Local brand specialty shops should plan on online marketing/sales efforts to augment revenues, and building designs should accommodate such uses.

Supportable Retail Land Values

Supportable retail land values are determined by an application of supportable lease rates applied to leasable square footages, an application of vacancies, and then a capitalization at market-supported cap rates. From these capitalized values are subtracted all vertical costs and fees and margins associated with vertical construction. Below is a summary of retail land + building values based upon typical FAR assumptions, lease rates, vacancy rates and cap rates:

Calculation of Retail Land Values	
Category	**Northfield Retail**
Product Assumptions	
FAR Assumptions	**0.09**
Leasable SF	**2,680sf**
Annual Lease Rate Per SF (NNN)[1]	**$27.50/sf**
Lease Allowances Per SF (NNN)	**-$2.06/sf**
Annual Lease Revenue	**$68,173**
Assumed Vacancy	**10.0%**
Effective Annual Lease	**$61,400**
Assumed 2020 Cap Rate	**7.00%**
Building+Land Market Value Capitalized at 2020 Rates	**$899,000**
Market-Supported 2020 Price/SF	**$335.45/sf**

As shown, retail space is valued at an annual lease rate of $27.50 per square foot. After accounting for vacancies and after applying market-observed cap rates, and assuming a FAR of 0.09, the resultant retail value for all buildable square feet at Northfield is estimated at $899,000 for 2,680 square feet, or $335.45/sf.

The methodology to generate the values shown on the preceding page and the land values are shown below.

Category		Northfield Retail
Product Assumptions		
FAR Assumptions		**0.09**
Leasable SF		**2,680sf**
Annual Lease Rate Per SF (NNN)[1]		**$27.50/sf**
Lease Allowances Per SF (NNN)		**-$2.06/sf**
Annual Lease Revenue		**$68,173**
Assumed Vacancy		**10.0%**
Effective Annual Lease		**$61,400**
Assumed 2020 Cap Rate		**7.00%**
Building+Land Market Value Capitalized at 2020 Rates		**$899,000**
Market-Supported 2020 Price/SF		**$335.45/sf**
Per Unit Vertical Direct Construction Costs		
Total Vertical Direct Const./SF		**$133.00**
Total Vertical Direct Const./Acre		**$356,440**
Miscellaneous Fees/Charges		
Permit Fees		$4,714
Plan Check Fee		$2,318
City Sales/Use Tax		$15,958
County Sales Tax		$3,316
Capital Improvement Expansion Fees ($11,050 Per 1,000 Sq. Ft.)		$29,614
Transportation Capital Expansion Fees ($8,594 Per 1,000 Sq. Ft.)		$23,032
Water Plant Investment Fee		$8,790
Water Supply Fee		$19,350
Wastewater Plant Investment Fee		$7,710
Stormwater Investment Fee		$680
Electric Development Fee		$4,933
Total Per Unit Fees		**$120,415**
Other Per Acre Soft Costs and Indirect Costs (Per Acre)		
Marketing/Commissions (5% of 5-year lease)	5.00%	$15,400
Legal	1.00%	$9,000
Financing	4.00%	$36,000
General/Administrative	1.50%	$13,500
Warranty	0.50%	$4,500
Architectural/Consulting	0.50%	$4,500
Soft Cost Contingencies	0.50%	$4,500
Total Soft Costs	**13.00%**	**$87,400**
Total Finished Land Values (Yr. 2020)		
Finished Value		**$334,745**
Total Square Feet		**2,680sf**
Total Acres		**0.7 acres**
Beginning Absorption Year		**2022**
Absorption Per Year		**7,500sf**
Absorption Years		**0.4**
Finished Present Value		**$304,237**
Present Value Per Square Foot		**$113.52**
		(Total Value)

Discount Rate = 15%
Source: Metrostudy/Meyers; RS Means; Hoff Leigh

The finished land values shown above present an effective proxy for market values based on this residual land value methodology. More detail regarding the generation of overall land values is provided in the body of the report.

Exhibit Package

Employment and Job Growth

Exhibit 23 ***: Larimer, Weld, CO Employment by Industry Sector***

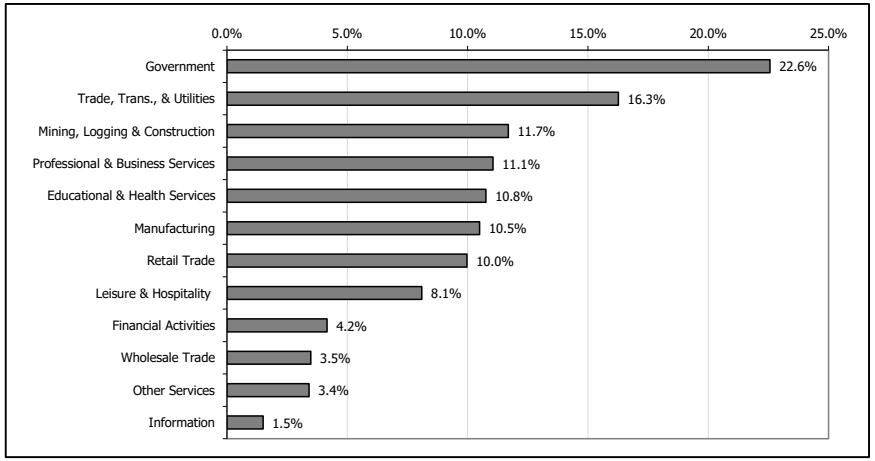
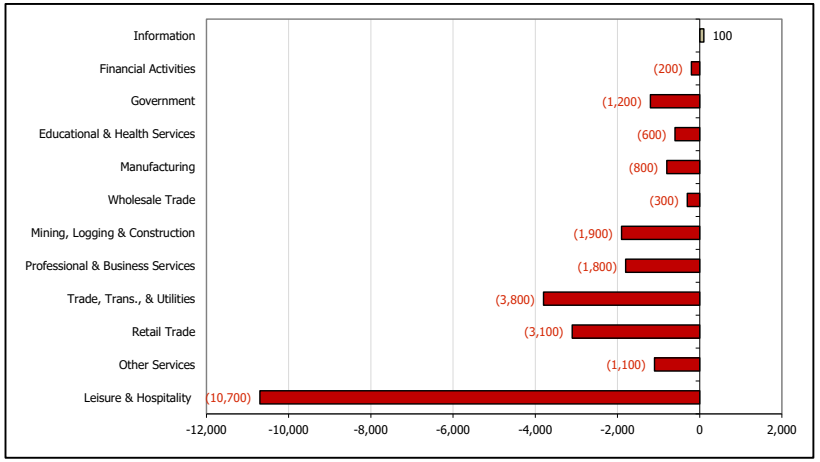


Exhibit 24 ***: Larimer, Weld CO Employment Growth Year-Over-Year***

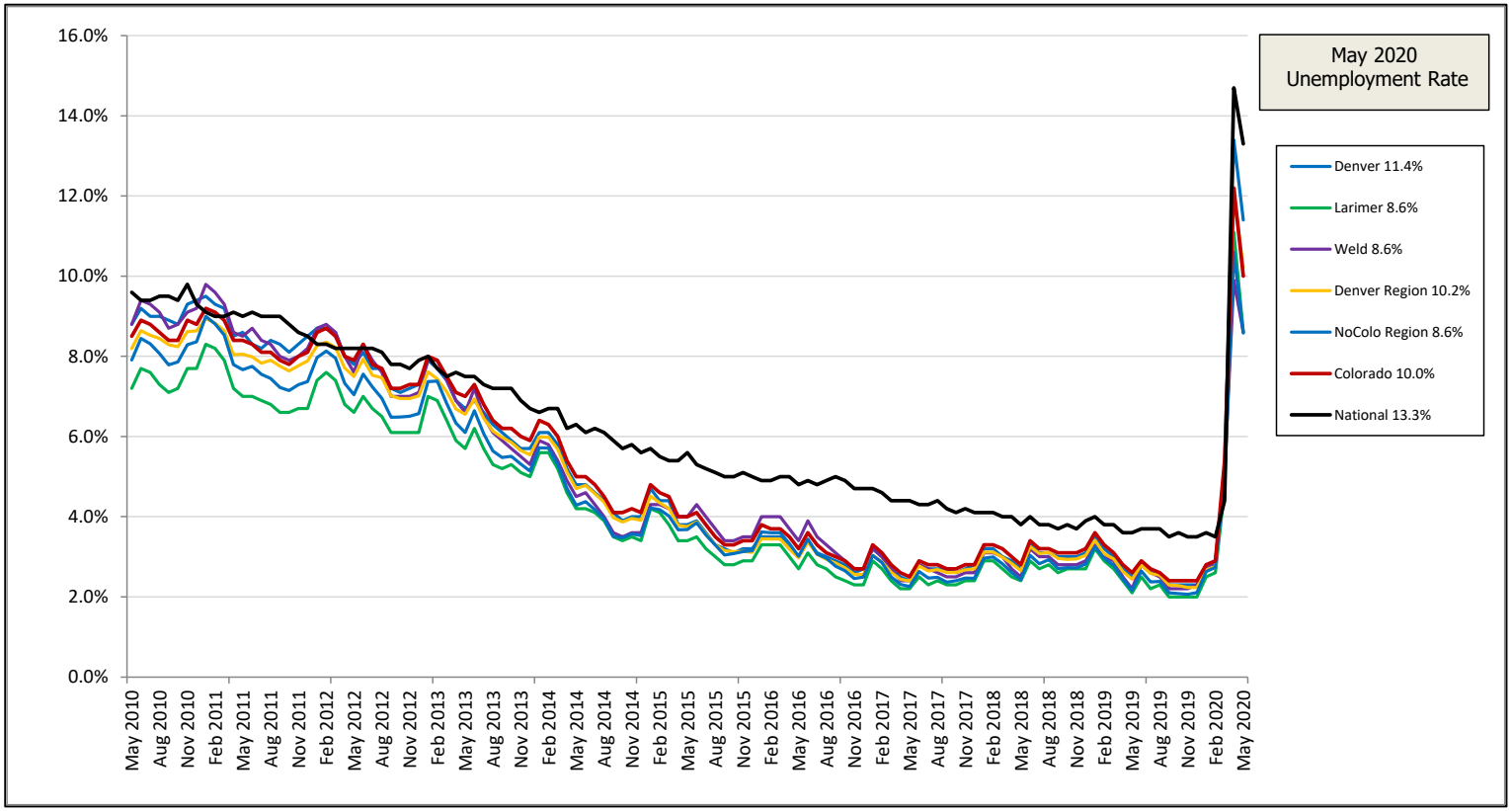


Ranked by Current Industry Sector Capture

Sector	May 2020	May 2019	Net Jobs 1-Yr	Net Jobs 3-Yr	Net Jobs 5-Yr	Capture %	YOY %
Government	60,200	61,400	-1,200	1,500	5,600	22.6%	-2.0%
Trade, Trans., & Utilities	43,400	47,200	-3,800	-1,400	300	16.3%	-8.1%
Mining, Logging & Construction	31,200	33,100	-1,900	2,600	3,600	11.7%	-5.7%
Professional & Business Services	29,500	31,300	-1,800	-900	-200	11.1%	-5.8%
Educational & Health Services	28,700	29,300	-600	1,400	3,900	10.8%	-2.0%
Manufacturing	28,000	28,800	-800	1,000	2,600	10.5%	-2.8%
Retail Trade	26,600	29,700	-3,100	-2,400	-700	10.0%	-10.4%
Leisure & Hospitality	21,600	32,300	-10,700	-8,900	-7,200	8.1%	-33.1%
Financial Activities	11,100	11,300	-200	-400	100	4.2%	-1.8%
Wholesale Trade	9,300	9,600	-300	700	1,100	3.5%	-3.1%
Other Services	9,100	10,200	-1,100	-500	100	3.4%	-10.8%
Information	4,000	3,900	100	400	700	1.5%	2.6%
Total Non-Farm	**266,800**	**288,800**	**-22,000**	**-5,200**	**9,500**	**100.0%**	**-7.6%**

Below is a historical look at select county unemployment rates in the northern Front Range, the state, and national rates, in addition to the Northern Colorado region, which is Larimer and Weld Counties, combined. As can be seen, the unemployment rates in the entire region spiked dramatically with the onset of the COVID-19 Coronavirus pandemic. Prior to the virus outbreak, unemployment rates were at all-time lows. Also, as can be seen in the past month, the rates are starting to recede as some of the workers that were furloughed or temporarily laid off return to work. The upcoming months will further reveal the depth and duration of the virus's impact on the economy. Larimer County (dark green-colored line), where Northfield is located, along with neighboring Weld County have receded back to 8.6% as of May, after climbing to 11.1% in April. In February, the rate in Larimer County was 2.6%.

Exhibit 25 ***: Regional Unemployment Rate Trends (as of July 2019)***



Demographic Overview

Population and Households

Exhibit 26 ***: Northern Colorado Market Total Population***

Northern Colorado	*Total Population*		
	2010 Census	2020 Estimate	2025 Projection
Population	552,454	687,042	757,603
Total Numerical Change	---	134,588	70,561
Total Percent Change	---	24.4%	10.3%
Annual Number Change	---	13,459	14,112
Annual Percent Change	---	2.2%	2.0%
Households	209,644	260,675	287,124
Total Numerical Change	---	51,031	26,449
Total Percent Change	---	24.3%	10.1%
Annual Number Change	---	5,103	5,290
Annual Percent Change	---	2.2%	2.0%
Average Household Size	2.6	2.6	2.6

Source: Metrostudy/Neustar/U.S. Census Bureau

Exhibit 27 ***: Northfield CMA Total Population***

Northfield CMA	*Total Population*		
	2010 Census	2020 Estimate	2025 Projection
Population	229,246	278,206	298,560
Total Numerical Change	---	48,960	20,354
Total Percent Change	---	21.4%	7.3%
Annual Number Change	---	4,896	4,071
Annual Percent Change	---	2.0%	1.4%
Households	91,132	110,971	119,322
Total Numerical Change	---	19,839	8,351
Total Percent Change	---	21.8%	7.5%
Annual Number Change	---	1,984	1,670
Annual Percent Change	---	2.0%	1.5%
Average Household Size	2.5	2.5	2.5
CMA % of Market			
Population	41.5%	40.5%	39.4%
Households	43.5%	42.6%	41.6%

Source: Metrostudy/Neustar/U.S. Census Bureau

Age Distribution

Exhibit 28 ***: Northern Colorado Market - Age Distribution***

Northern Colorado

	2010 Census		2020 Estimate		2025 Projection	
Age Group	**Total**	**%**	**Total**	**%**	**Total**	**%**
0-24	203,971	36.9%	236,820	34.5%	244,714	32.3%
25-34	77,046	13.9%	102,989	15.0%	113,576	15.0%
35-44	71,275	12.9%	89,525	13.0%	102,851	13.6%
45-54	76,631	13.9%	78,949	11.5%	88,816	11.7%
55-64	63,756	11.5%	82,611	12.0%	83,620	11.0%
65-74	33,928	6.1%	59,726	8.7%	71,551	9.4%
75-84	18,165	3.3%	26,108	3.8%	38,154	5.0%
85+	7,683	1.4%	10,315	1.5%	14,322	1.9%
	552,454	100.0%	687,042	100.0%	757,603	100.0%
Annual Change						
0-24	-	-	3,285	1.5%	1,579	0.7%
25-34	-	-	2,594	2.9%	2,117	2.0%
35-44	-	-	1,825	2.3%	2,665	2.8%
45-54		-	232	0.3%	1,973	2.4%
55-64	-	-	1,886	2.6%	202	0.2%
65-74	-	-	2,580	5.8%	2,365	3.7%
75-84	-	-	794	3.7%	2,409	7.9%
85+	-	-	263	3.0%	801	6.8%
Median Age	34.4		35.4		36.9	

Source: Metrostudy/Neustar/U.S. Census Bureau

Exhibit 29 ***: Northfield CMA - Age Distribution***

Northfield CMA

	2010 Census		2020 Estimate		2025 Projection	
Age Group	**Total**	**%**	**Total**	**%**	**Total**	**%**
0-24	86,264	37.6%	97,055	34.9%	93,900	31.5%
25-34	34,751	15.2%	44,461	16.0%	50,955	17.1%
35-44	28,197	12.3%	36,335	13.1%	41,592	13.9%
45-54	30,404	13.3%	29,764	10.7%	33,598	11.3%
55-64	25,484	11.1%	31,997	11.5%	30,834	10.3%
65-74	13,230	5.8%	23,864	8.6%	27,320	9.2%
75-84	7,529	3.3%	10,401	3.7%	14,731	4.9%
85+	3,386	1.5%	4,327	1.6%	5,632	1.9%
	229,246	100.0%	278,206	100.0%	298,560	100.0%
Annual Change						
0-24	-	-	1,079	1.2%	-631	-0.7%
25-34	-	-	971	2.5%	1,299	2.8%
35-44	-	-	814	2.6%	1,051	2.7%
45-54		-	-64	-0.2%	767	2.5%
55-64	-	-	651	2.3%	-233	-0.7%
65-74	-	-	1,063	6.1%	691	2.7%
75-84	-	-	287	3.3%	866	7.2%
85+	-	-	94	2.5%	261	5.4%
Median Age	33.0		34.4		36.0	

Source: Metrostudy/Neustar/U.S. Census Bureau

Household Income

Exhibit 30 ***: Northern Colorado Market - Household Income***

Northern Colorado

	2010 Census		2020 Estimate		2025 Projection	
Annual Household Inc.	**Total HH**	**%**	**Total HH**	**%**	**Total HH**	**%**
Under $25,000	47,936	22.9%	36,831	14.1%	38,600	13.4%
$25,000-$34,000	20,599	9.8%	17,941	6.9%	18,984	6.6%
$35,000-$49,000	30,353	14.5%	28,574	11.0%	30,625	10.7%
$50,000-$74,000	39,368	18.8%	47,072	18.1%	51,260	17.9%
$75,000-$99,000	29,319	14.0%	38,919	14.9%	42,994	15.0%
$100,000-$149,000	26,983	12.9%	50,030	19.2%	56,728	19.8%
$150,000+	15,086	7.2%	41,308	15.8%	47,933	16.7%
	209,644	100.0%	260,675	100.0%	287,124	100.0%
Average Household Inc.	$68,540		$93,986		$96,334	
Median Household Inc.	$53,874		$74,955		$77,380	

Source: Metrostudy/Neustar/U.S. Census Bureau

Exhibit 31 ***: Northfield CMA - Household Income***

Northfield CMA

	2010 Census		2020 Estimate		2025 Projection	
Annual Household Inc.	**Total HH**	**%**	**Total HH**	**%**	**Total HH**	**%**
Under $25,000	20,900	22.9%	16,925	15.3%	17,441	14.6%
$25,000-$34,000	9,021	9.9%	7,505	6.8%	7,719	6.5%
$35,000-$49,000	13,086	14.4%	12,208	11.0%	12,837	10.8%
$50,000-$74,000	16,505	18.1%	21,281	19.2%	22,888	19.2%
$75,000-$99,000	11,800	12.9%	14,734	13.3%	15,769	13.2%
$100,000-$149,000	11,759	12.9%	21,112	19.0%	23,368	19.6%
$150,000+	8,061	8.8%	17,204	15.5%	19,299	16.2%
	91,132	100.0%	110,971	100.0%	119,322	100.0%
Average Household Inc.	$71,374		$92,692		$94,694	
Median Household Inc.	$53,959		$72,045		$73,610	

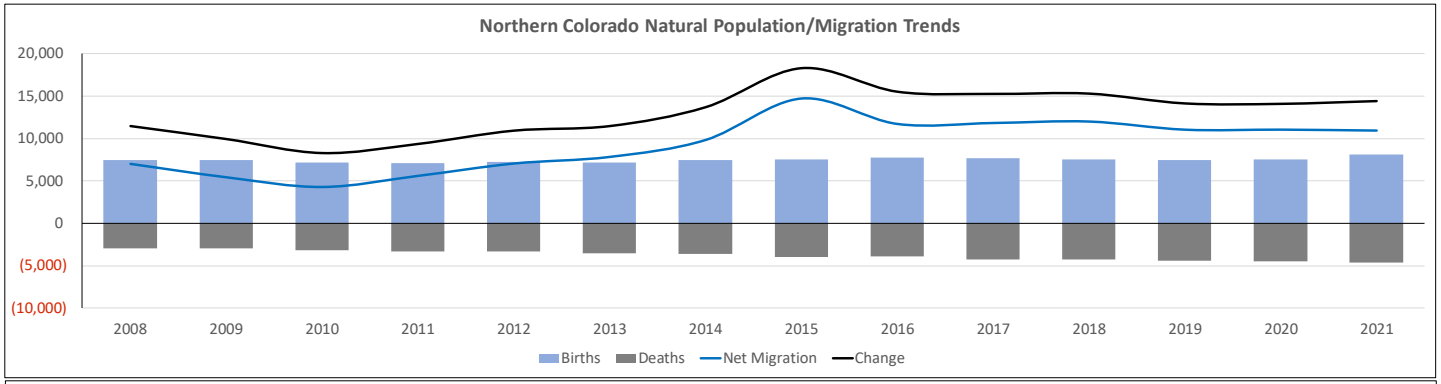
Source: Metrostudy/Neustar/U.S. Census Bureau

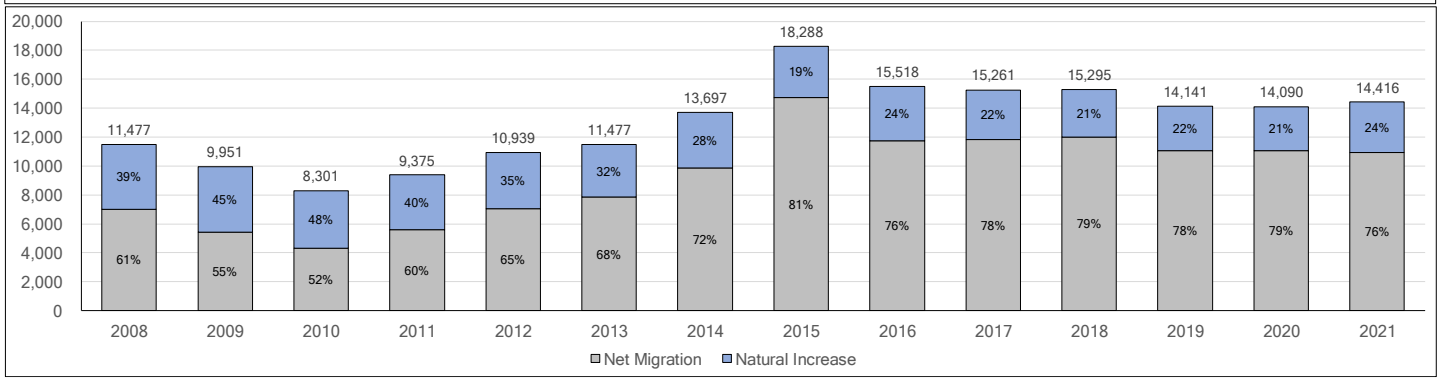
Population & Net Migration Trends

The following table represents population and migration trends within Northern Colorado (Larimer & Weld Counties), as provided by the Colorado Department of Local Affairs. Migration continues to be positive, however has leveled off in recent years, highly likely due to the higher cost of housing. Net migration represented an estimated 22% of the population gain in Northern Colorado in 2019, while natural increases (births minus deaths) represented 78%.

Exhibit 32 ***: Population & Net Migration Trends into Larimer & Weld Counties***

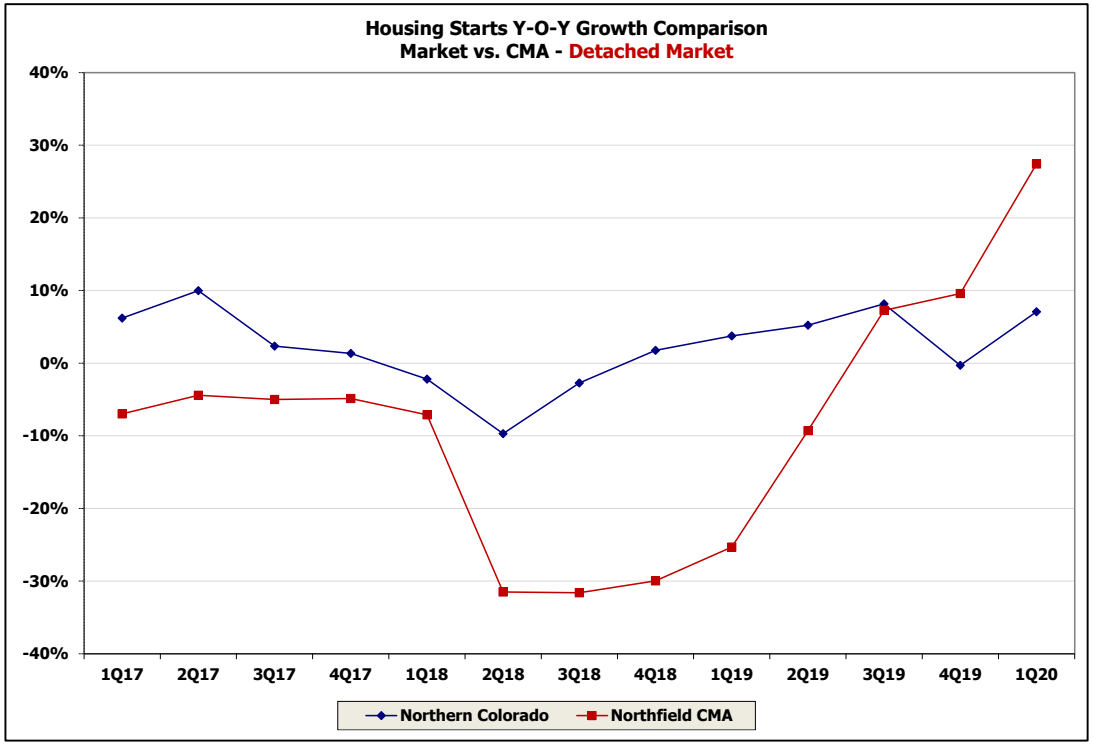
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population	536,510	546,461	554,762	564,137	575,076	586,553	600,250	618,538	634,056	649,317	664,612	678,753	692,842	707,258
Change	11,477	9,951	8,301	9,375	10,939	11,477	13,697	18,288	15,518	15,261	15,295	14,141	14,090	14,416
Natural Increase	4,457	4,511	4,007	3,768	3,875	3,634	3,854	3,553	3,786	3,416	3,279	3,084	3,028	3,463
Net Migration	7,020	5,440	4,294	5,607	7,064	7,843	9,843	14,735	11,732	11,845	12,016	11,057	11,062	10,952





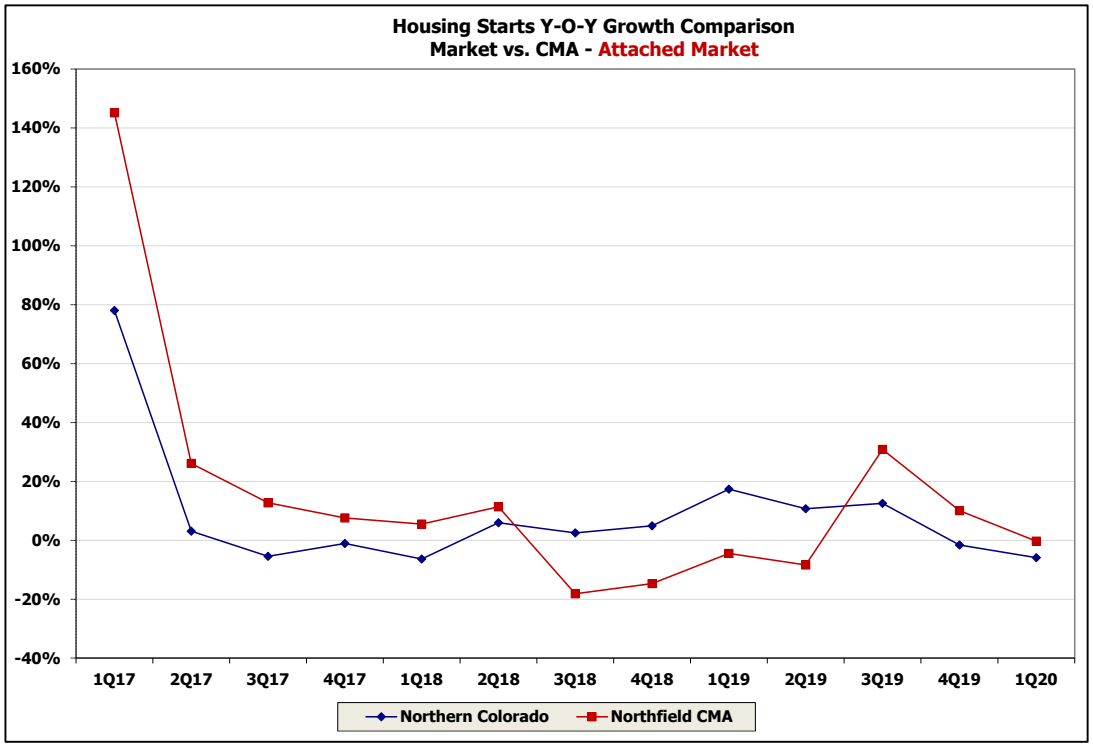
Housing Market Overview

Exhibit 33 ***: Housing Starts Activity – Detached Market***



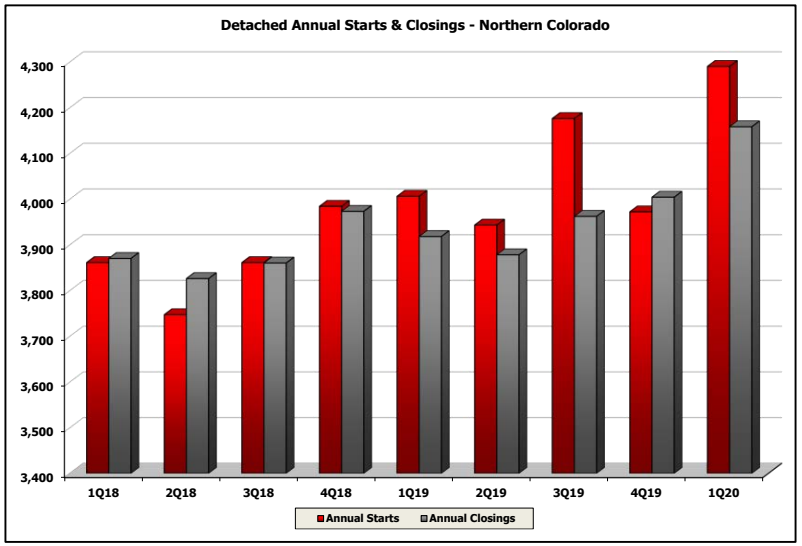
Quarter	Northern Colorado		Northfield CMA	
	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
1Q16	3,717	*	1,102	*
2Q16	3,773	*	1,153	*
3Q16	3,878	*	1,102	*
4Q16	3,863	*	1,049	*
1Q17	3,948	6.2%	1,025	-7.0%
2Q17	4,150	10.0%	1,102	-4.4%
3Q17	3,969	2.3%	1,047	-5.0%
4Q17	3,915	1.3%	998	-4.9%
1Q18	3,861	-2.2%	952	-7.1%
2Q18	3,747	-9.7%	755	-31.5%
3Q18	3,861	-2.7%	716	-31.6%
4Q18	3,984	1.8%	699	-30.0%
1Q19	4,006	3.8%	711	-25.3%
2Q19	3,943	5.2%	685	-9.3%
3Q19	4,176	8.2%	768	7.3%
4Q19	3,972	-0.3%	766	9.6%
1Q20	4,290	7.1%	906	27.4%
5-Year Avg.	3,944	2.4%	914	-8.6%

Exhibit 34 ***: Housing Starts Activity – Attached Market***



Quarter	Northern Colorado		Northfield CMA	
	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
1Q16	328	*	155	*
2Q16	485	*	272	*
3Q16	552	*	337	*
4Q16	554	*	367	*
1Q17	584	78.0%	380	145.2%
2Q17	500	3.1%	343	26.1%
3Q17	522	-5.4%	380	12.8%
4Q17	548	-1.1%	395	7.6%
1Q18	547	-6.3%	401	5.5%
2Q18	530	6.0%	382	11.4%
3Q18	535	2.5%	311	-18.2%
4Q18	575	4.9%	337	-14.7%
1Q19	642	17.4%	383	-4.5%
2Q19	587	10.8%	350	-8.4%
3Q19	602	12.5%	407	30.9%
4Q19	566	-1.6%	371	10.1%
1Q20	604	-5.9%	382	-0.3%
5-Year Avg.	545	8.8%	350	15.7%

Exhibit 35 ***: New Housing Starts and Closings Activity Comparison (Detached Homes)***



Northern Colorado - Detached					
Quarter	**Annual Starts**		**Annual Closings**		**St - Cl**
1Q18	3,861	-2.2%	3,870	-0.4%	-9
2Q18	3,747	-9.7%	3,826	-0.2%	-79
3Q18	3,861	-2.7%	3,860	-1.5%	1
4Q18	3,984	1.8%	3,973	4.6%	11
1Q19	4,006	3.8%	3,918	1.2%	88
2Q19	3,943	5.2%	3,878	1.4%	65
3Q19	4,176	8.2%	3,962	2.6%	214
4Q19	3,972	-0.3%	4,004	0.8%	-32
1Q20	4,290	7.1%	4,158	6.1%	132
9-Qtr Avg	3,982	1.2%	3,939	1.6%	43

Northfield CMA - Detached					
Quarter	Annual Starts		Annual Closings		St - Cl
1Q18	952	-7.1%	1,032	-11.3%	-80
2Q18	755	-31.5%	997	-5.6%	-242
3Q18	716	-31.6%	890	-16.7%	-174
4Q18	699	-30.0%	835	-18.1%	-136
1Q19	711	-25.3%	759	-26.5%	-48
2Q19	685	-9.3%	700	-29.8%	-15
3Q19	768	7.3%	711	-20.1%	57
4Q19	766	9.6%	745	-10.8%	21
1Q20	906	27.4%	802	5.7%	104
9-Qtr Avg	773	-10.1%	830	-14.8%	-57

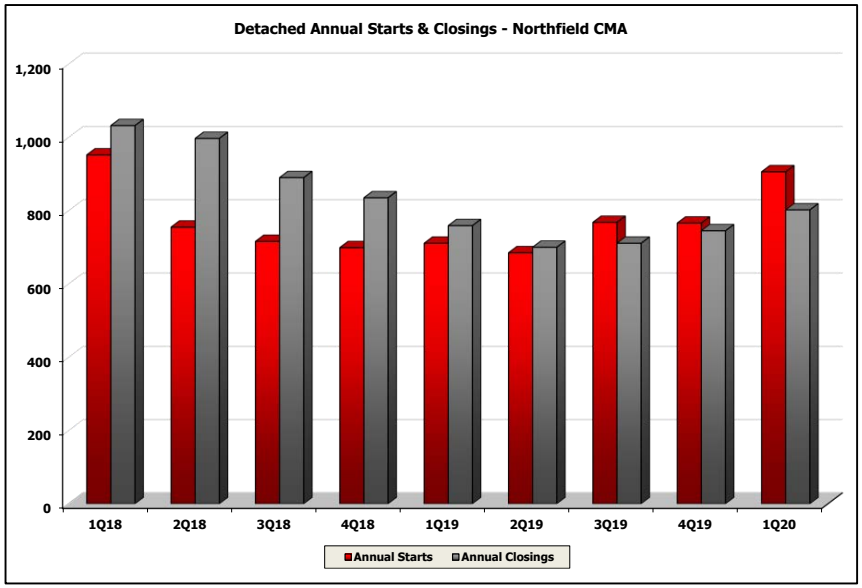
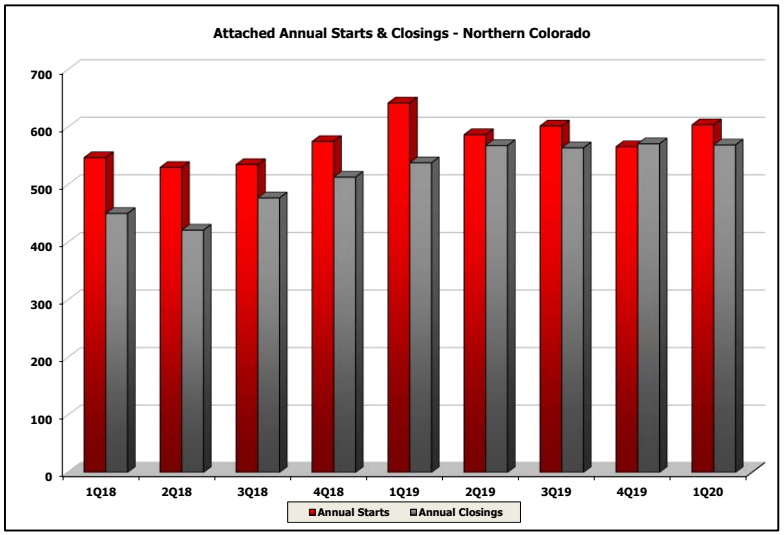
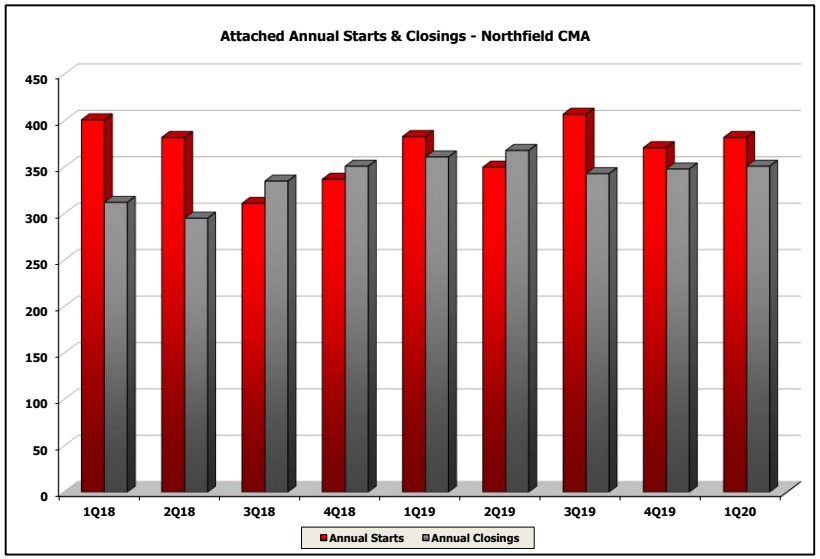


Exhibit 36 ***: New Housing Starts and Closings Activity Comparison (Attached Homes)***



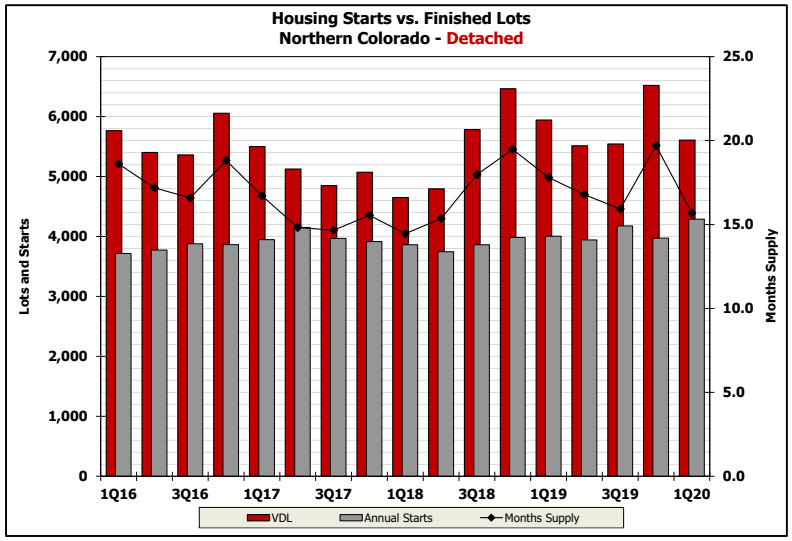
Northern Colorado - Attached					
Quarter	Annual Starts		Annual Closings		St - Cl
1Q18	547	-6.3%	450	-3.4%	97
2Q18	530	6.0%	421	-20.9%	109
3Q18	535	2.5%	477	-10.5%	58
4Q18	575	4.9%	513	3.8%	62
1Q19	642	17.4%	538	19.6%	104
2Q19	587	10.8%	568	34.9%	19
3Q19	602	12.5%	564	18.2%	38
4Q19	566	-1.6%	571	11.3%	-5
1Q20	604	-5.9%	569	5.8%	35
9-Qtr Avg	**576**	**4.5%**	**519**	**6.5%**	**57**

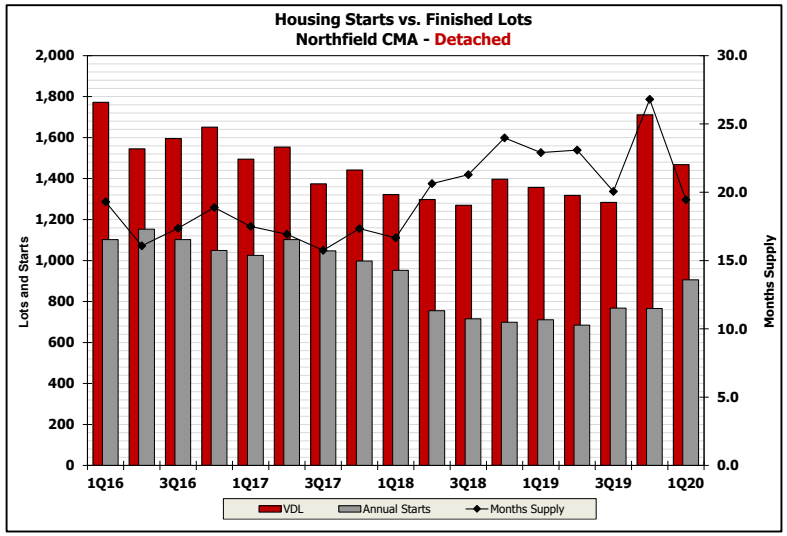
Northfield CMA - Attached					
Quarter	**Annual Starts**		**Annual Closings**		**St - Cl**
1Q18	401	5.5%	312	20.5%	89
2Q18	382	11.4%	295	-9.2%	87
3Q18	311	-18.2%	335	-5.6%	-24
4Q18	337	-14.7%	351	7.0%	-14
1Q19	383	-4.5%	361	15.7%	22
2Q19	350	-8.4%	368	24.7%	-18
3Q19	407	30.9%	343	2.4%	64
4Q19	371	10.1%	348	-0.9%	23
1Q20	382	-0.3%	351	-2.8%	31
9-Qtr Avg	**369**	**1.3%**	**340**	**5.8%**	**29**



Lot Supply

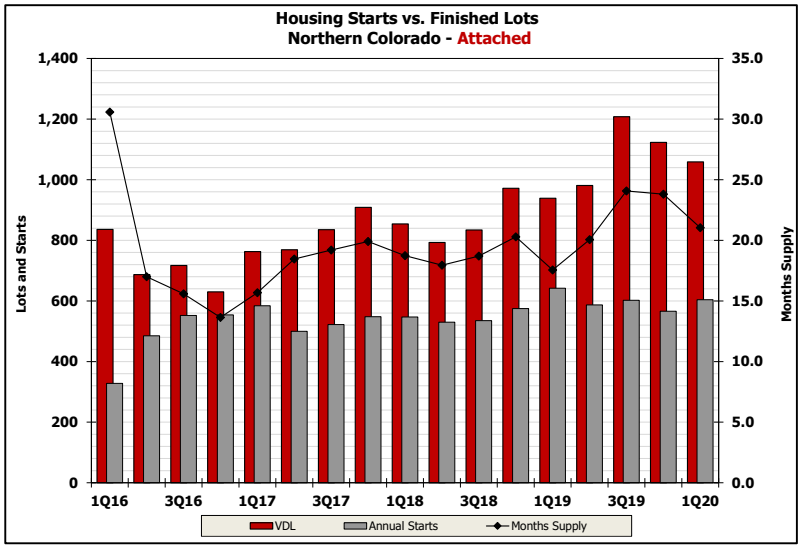
Exhibit 37 ***: Vacant Developed Lots and Months of Supply for Detached Housing***

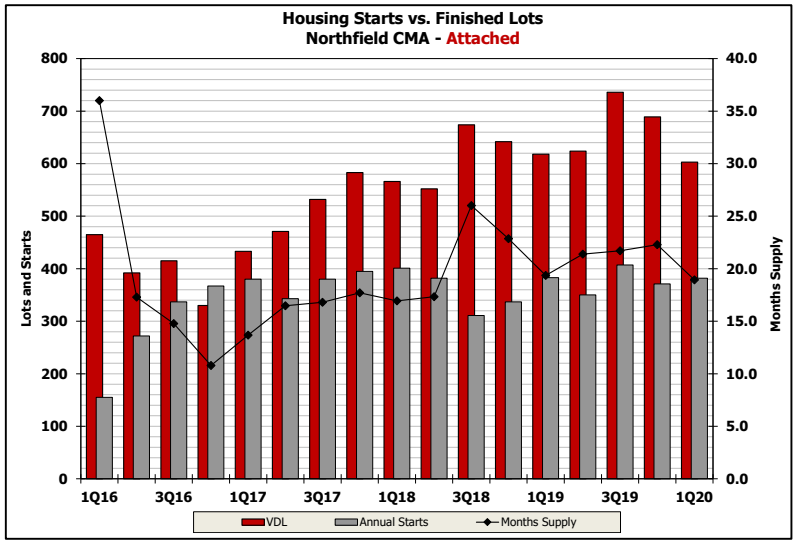




Quarter	Northern Colorado - Detached			Northfield CMA - Detached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
1Q16	5,764	3,717	18.6	1,772	1,102	19.3
2Q16	5,403	3,773	17.2	1,545	1,153	16.1
3Q16	5,360	3,878	16.6	1,595	1,102	17.4
4Q16	6,056	3,863	18.8	1,651	1,049	18.9
1Q17	5,499	3,948	16.7	1,495	1,025	17.5
2Q17	5,125	4,150	14.8	1,554	1,102	16.9
3Q17	4,848	3,969	14.7	1,374	1,047	15.7
4Q17	5,073	3,915	15.5	1,442	998	17.3
1Q18	4,649	3,861	14.4	1,322	952	16.7
2Q18	4,794	3,747	15.4	1,298	755	20.6
3Q18	5,784	3,861	18.0	1,270	716	21.3
4Q18	6,465	3,984	19.5	1,397	699	24.0
1Q19	5,943	4,006	17.8	1,357	711	22.9
2Q19	5,514	3,943	16.8	1,318	685	23.1
3Q19	5,542	4,176	15.9	1,284	768	20.1
4Q19	6,519	3,972	19.7	1,711	766	26.8
1Q20	5,607	4,290	15.7	1,468	906	19.4
Hist. Avg	5,526	3,944	16.8	1,462	914	19.2

Exhibit 38 ***: Vacant Developed Lots and Months of Supply for Attached Housing***

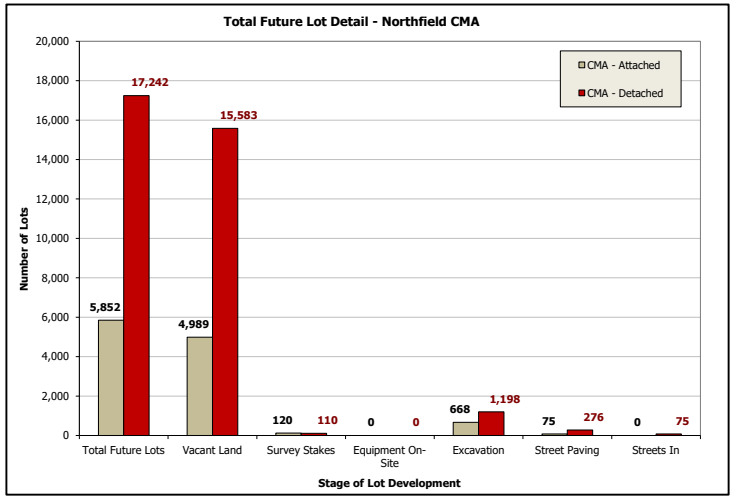




Quarter	Northern Colorado - Attached			Northfield CMA - Attached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
1Q16	836	328	30.6	465	155	36.0
2Q16	687	485	17.0	392	272	17.3
3Q16	717	552	15.6	415	337	14.8
4Q16	630	554	13.6	330	367	10.8
1Q17	763	584	15.7	433	380	13.7
2Q17	769	500	18.5	471	343	16.5
3Q17	835	522	19.2	532	380	16.8
4Q17	909	548	19.9	583	395	17.7
1Q18	854	547	18.7	566	401	16.9
2Q18	793	530	18.0	552	382	17.3
3Q18	834	535	18.7	674	311	26.0
4Q18	972	575	20.3	642	337	22.9
1Q19	939	642	17.6	618	383	19.4
2Q19	981	587	20.1	624	350	21.4
3Q19	1,208	602	24.1	736	407	21.7
4Q19	1,123	566	23.8	689	371	22.3
1Q20	1,059	604	21.0	603	382	18.9
Hist. Avg	877	545	19.3	549	350	18.8

Future Lot Supply

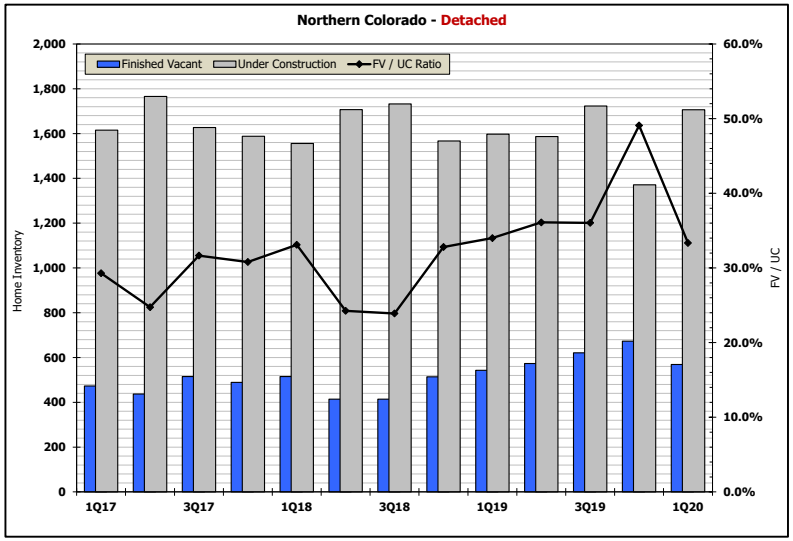
Exhibit 39 ***: Development Status of Future Lots and Future Supply***

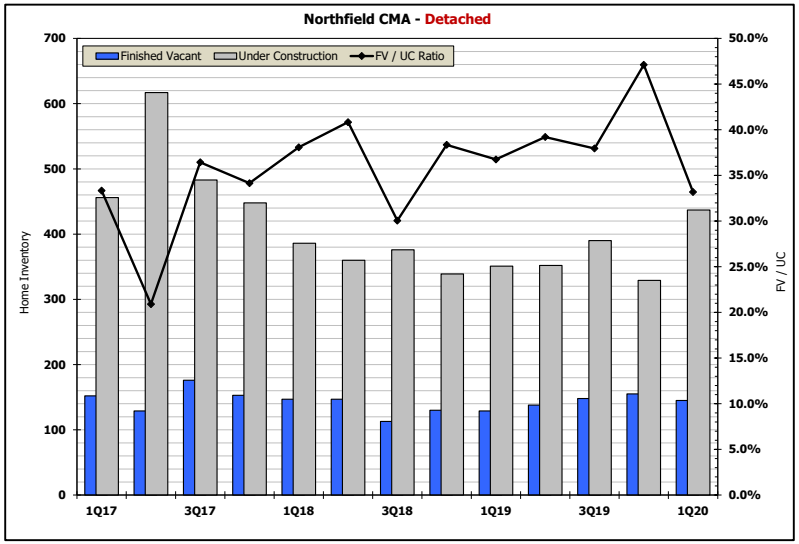


1Q20	Northern Colorado		Northfield CMA	
Attached Future Lot Detail				
Total Future Lots	23,246	100.0%	5,852	100.0%
Vacant Land	20,352	87.6%	4,989	85.3%
Survey Stakes	252	1.1%	120	2.1%
Equipment On-Site	277	1.2%	0	0.0%
Excavation	2,141	9.2%	668	11.4%
Street Paving	224	1.0%	75	1.3%
Streets In	0	0.0%	0	0.0%
Plat Recorded	**2,005**	**8.6%**	**876**	**15.0%**
Detached Future Lot Detail				
Total Future Lots	97,539	100.0%	17,242	100.0%
Vacant Land	87,579	89.8%	15,583	90.4%
Survey Stakes	1,161	1.2%	110	0.6%
Equipment On-Site	3,636	3.7%	0	0.0%
Excavation	3,866	4.0%	1,198	6.9%
Street Paving	1,215	1.2%	276	1.6%
Streets In	82	0.1%	75	0.4%
Plat Recorded	**14,052**	**14.4%**	**2,826**	**16.4%**

Housing Inventory

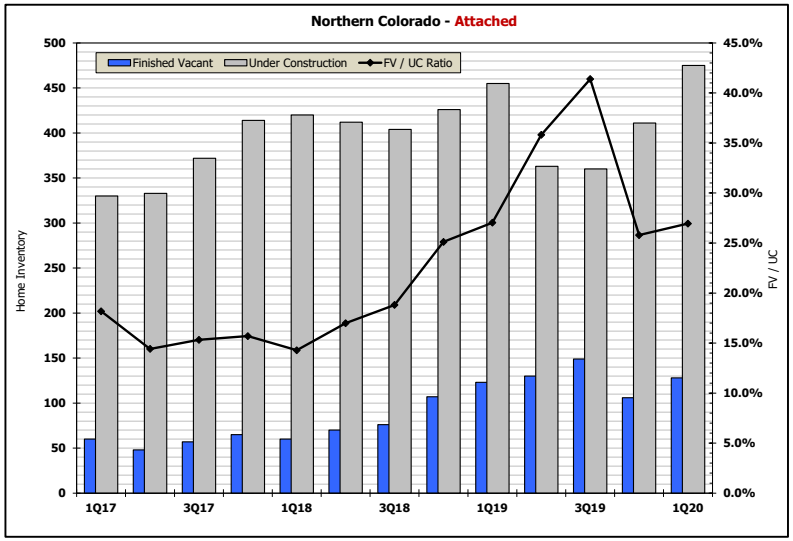
Exhibit 40 ***: Finished and Vacant vs. Under Construction Inventory - Detached***

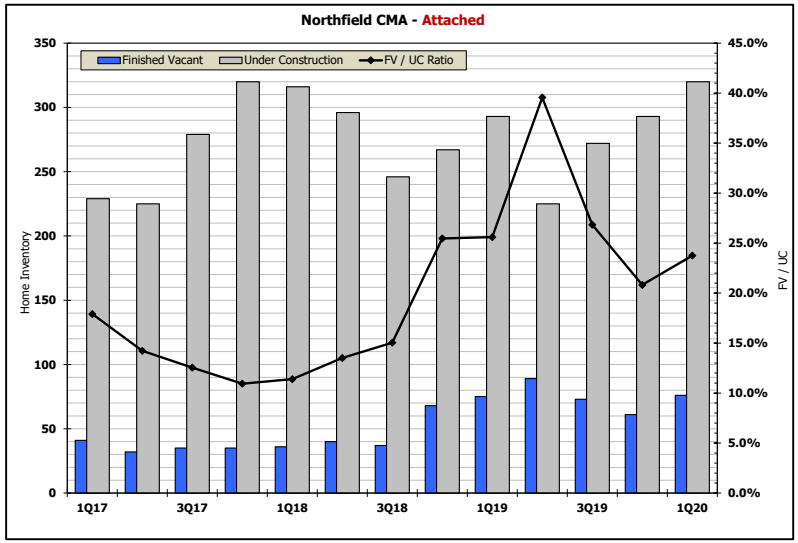




Quarter	Northern Colorado - Detached					Northfield CMA - Detached				
	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio
1Q17	473	1,615	112	2,200	29.3%	152	456	40	648	33.3%
2Q17	437	1,766	116	2,319	24.7%	129	617	41	787	20.9%
3Q17	515	1,627	124	2,266	31.7%	176	483	37	696	36.4%
4Q17	489	1,588	118	2,195	30.8%	153	448	36	637	34.2%
1Q18	515	1,556	120	2,191	33.1%	147	386	35	568	38.1%
2Q18	414	1,707	119	2,240	24.3%	147	360	38	545	40.8%
3Q18	414	1,732	121	2,267	23.9%	113	376	33	522	30.1%
4Q18	514	1,567	125	2,206	32.8%	130	339	32	501	38.3%
1Q19	543	1,597	139	2,279	34.0%	129	351	40	520	36.8%
2Q19	573	1,587	145	2,305	36.1%	138	352	40	530	39.2%
3Q19	621	1,723	137	2,481	36.0%	148	390	41	579	37.9%
4Q19	673	1,371	130	2,174	49.1%	155	329	38	522	47.1%
1Q20	569	1,706	136	2,411	33.4%	145	437	42	624	33.2%
Average	519	1,626		2,272	31.9%	143	410		591	35.0%

Exhibit 41 ***: Finished and Vacant vs. Under Construction Inventory - Attached***





Quarter	Northern Colorado - Attached					Northfield CMA - Attached				
	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio
1Q17	60	330	5	395	18.2%	41	229	1	271	17.9%
2Q17	48	333	4	385	14.4%	32	225	1	258	14.2%
3Q17	57	372	8	437	15.3%	35	279	5	319	12.5%
4Q17	65	414	9	488	15.7%	35	320	6	361	10.9%
1Q18	60	420	12	492	14.3%	36	316	8	360	11.4%
2Q18	70	412	12	494	17.0%	40	296	9	345	13.5%
3Q18	76	404	15	495	18.8%	37	246	12	295	15.0%
4Q18	107	426	17	550	25.1%	68	267	12	347	25.5%
1Q19	123	455	18	596	27.0%	75	293	14	382	25.6%
2Q19	130	363	20	513	35.8%	89	225	13	327	39.6%
3Q19	149	360	24	533	41.4%	73	272	14	359	26.8%
4Q19	106	411	28	545	25.8%	61	293	16	370	20.8%
1Q20	128	475	28	631	26.9%	76	320	17	413	23.8%
Average	91	398	15	504	22.8%	54	275	10	339	19.5%

Price Distribution

Exhibit 42 ***: 12-Month SFD Starts by Price – Northern Colorado Market***

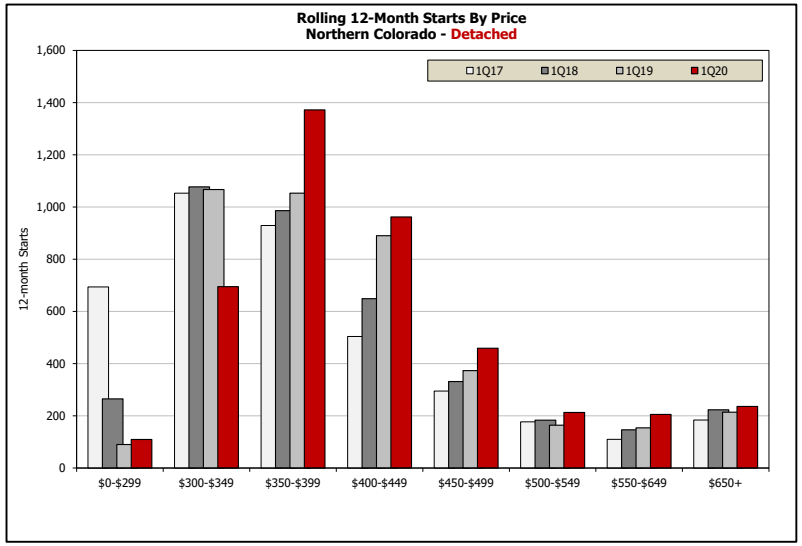
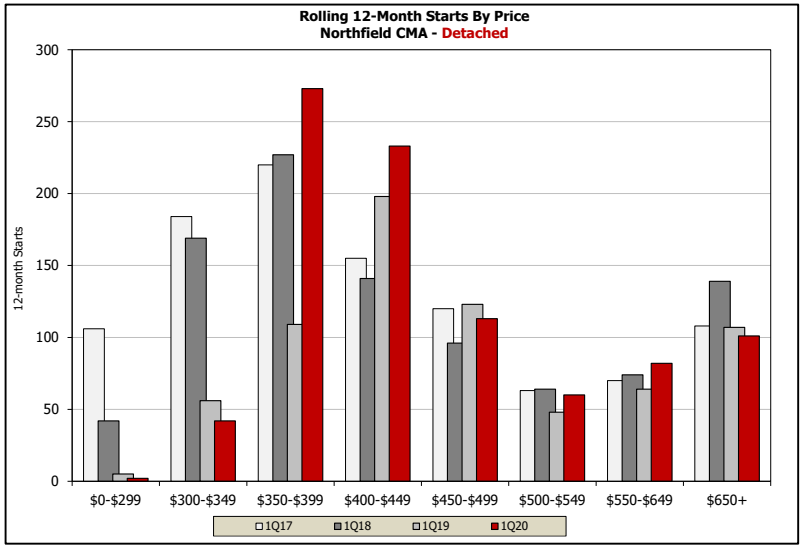


Exhibit 43 ***: 12-Month SFD Starts by Price – Northfield CMA***



Northern Colorado - Detached	12-Month Annual Starts by Price Segment							
Quarter	$0-$299	$300-$349	$350-$399	$400-$449	$450-$499	$500-$549	$550-$649	$650+
1Q17	694	1,053	929	504	295	177	110	184
1Q18	265	1,077	986	649	331	183	146	223
1Q19	90	1,067	1,053	890	373	164	154	214
1Q20	109	695	1,372	962	459	213	205	236
Market Share								
1Q17	17.6%	26.7%	23.5%	12.8%	7.5%	4.5%	2.8%	4.7%
1Q18	6.9%	27.9%	25.5%	16.8%	8.6%	4.7%	3.8%	5.8%
1Q19	2.2%	26.6%	26.3%	22.2%	9.3%	4.1%	3.8%	5.3%
1Q20	2.6%	16.3%	32.3%	22.6%	10.8%	5.0%	4.8%	5.6%

Northfield CMA - Detached	12-Month Annual Starts by Price Segment							
Quarter	$0-$299	$300-$349	$350-$399	$400-$449	$450-$499	$500-$549	$550-$649	$650+
1Q17	106	184	220	155	120	63	70	108
1Q18	42	169	227	141	96	64	74	139
1Q19	5	56	109	198	123	48	64	107
1Q20	2	42	273	233	113	60	82	101
Market Share								
1Q17	10.3%	17.9%	21.4%	15.1%	11.7%	6.1%	6.8%	10.5%
1Q18	4.4%	17.8%	23.8%	14.8%	10.1%	6.7%	7.8%	14.6%
1Q19	0.7%	7.9%	15.4%	27.9%	17.3%	6.8%	9.0%	15.1%
1Q20	0.2%	4.6%	30.1%	25.7%	12.5%	6.6%	9.1%	11.1%

Exhibit 44 ***: 12-Month SFA Starts by Price – Northern Colorado Market***

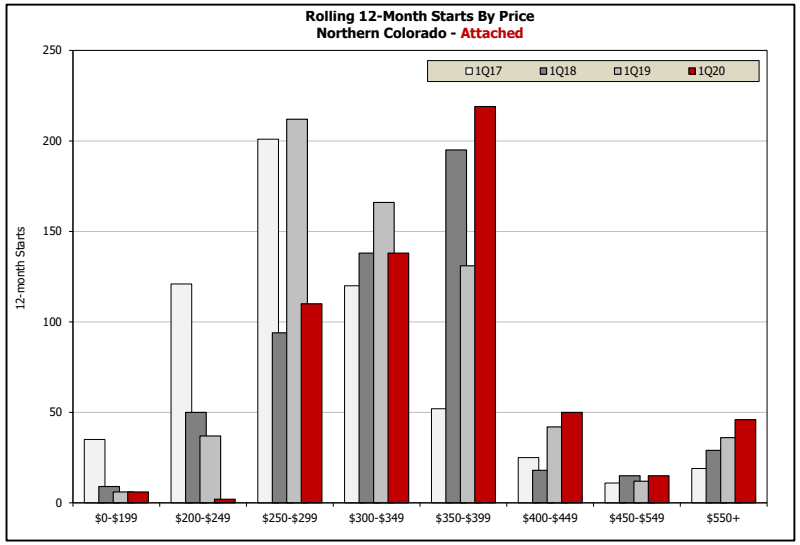
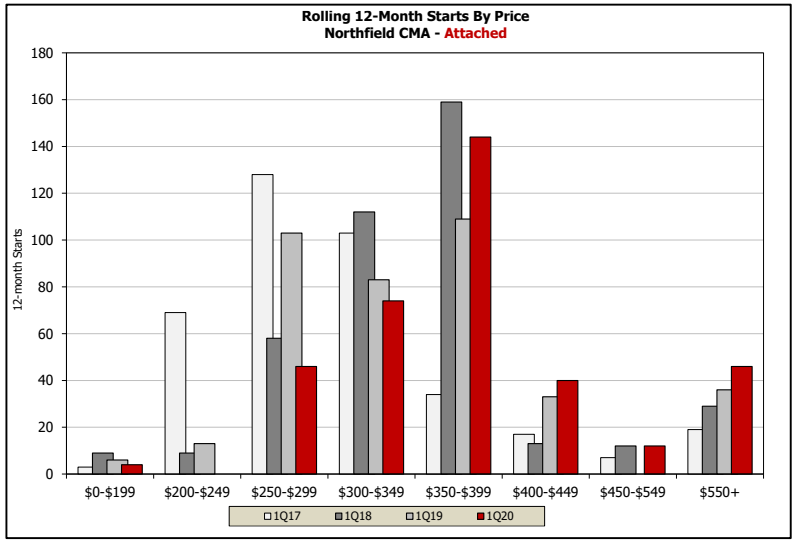


Exhibit 45 ***: 12-Month SFA Starts by Price – Northfield CMA***

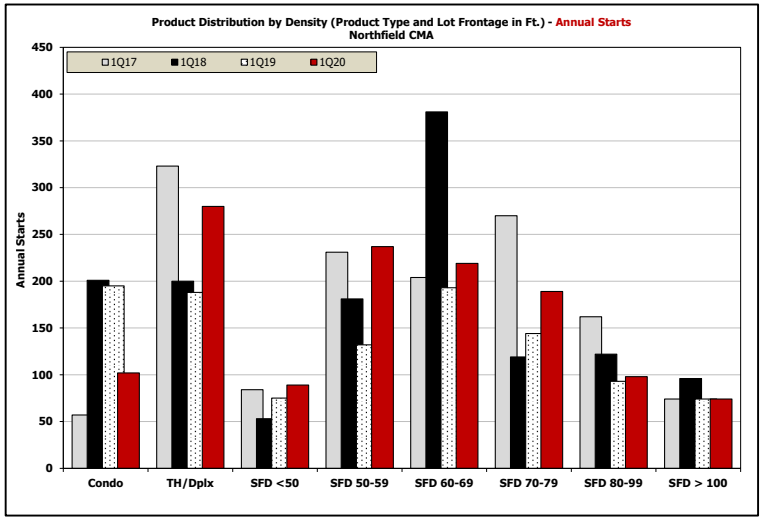


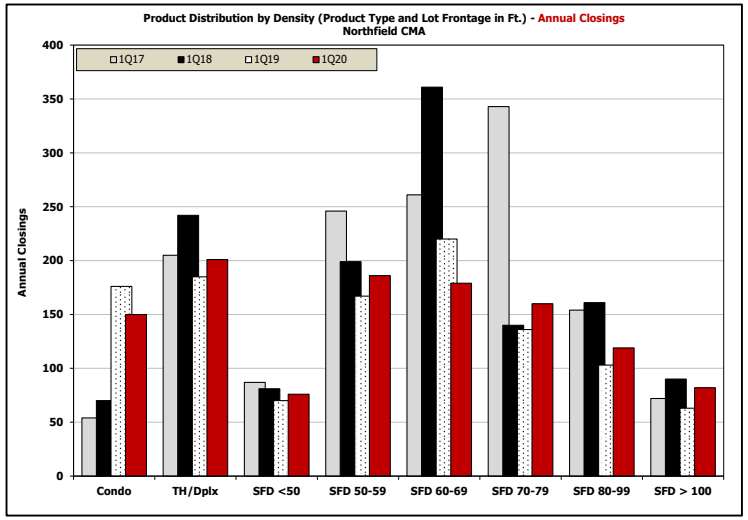
Northern Colorado - Attached	*12-Month Annual Starts by Price Segment*							
Quarter	$0-$199	$200-$249	$250-$299	$300-$349	$350-$399	$400-$449	$450-$549	$550+
1Q17	35	121	201	120	52	25	11	19
1Q18	9	50	94	138	195	18	15	29
1Q19	6	37	212	166	131	42	12	36
1Q20	6	2	110	138	219	50	15	46
Market Share								
1Q17	6.0%	20.7%	34.4%	20.5%	8.9%	4.3%	1.9%	3.3%
1Q18	1.6%	9.1%	17.2%	25.2%	35.6%	3.3%	2.7%	5.3%
1Q19	0.9%	5.8%	33.0%	25.9%	20.4%	6.5%	1.9%	5.6%
1Q20	1.0%	0.3%	18.8%	23.5%	37.4%	8.5%	2.6%	7.8%

Northfield CMA - Attached	*12-Month Annual Starts by Price Segment*							
Quarter	$0-$199	$200-$249	$250-$299	$300-$349	$350-$399	$400-$449	$450-$549	$550+
1Q17	3	69	128	103	34	17	7	19
1Q18	9	9	58	112	159	13	12	29
1Q19	6	13	103	83	109	33	0	36
1Q20	4	0	46	74	144	40	12	46
Market Share								
1Q17	0.8%	18.2%	33.7%	27.1%	8.9%	4.5%	1.8%	5.0%
1Q18	2.2%	2.2%	14.5%	27.9%	39.7%	3.2%	3.0%	7.2%
1Q19	1.6%	3.4%	26.9%	21.7%	28.5%	8.6%	0.0%	9.4%
1Q20	1.1%	0.0%	12.6%	20.2%	39.3%	10.9%	3.3%	12.6%

Product Distribution

Exhibit 46 ***: Northfield CMA Product Distribution, Annual Starts and Annual Closings***

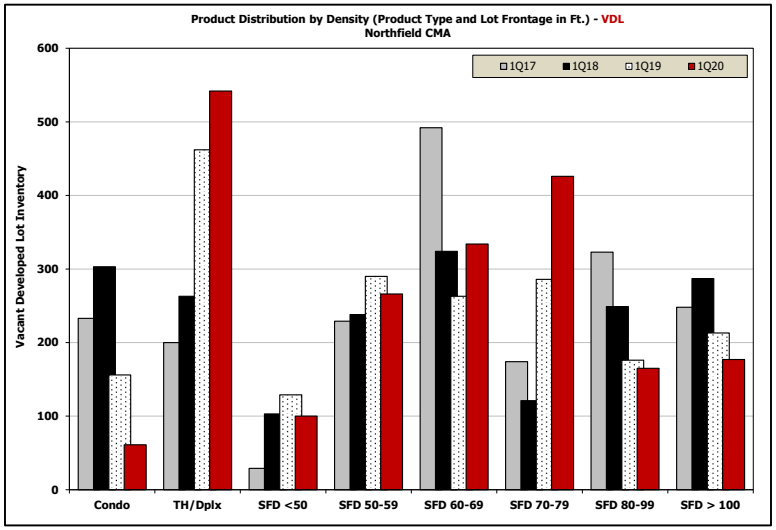


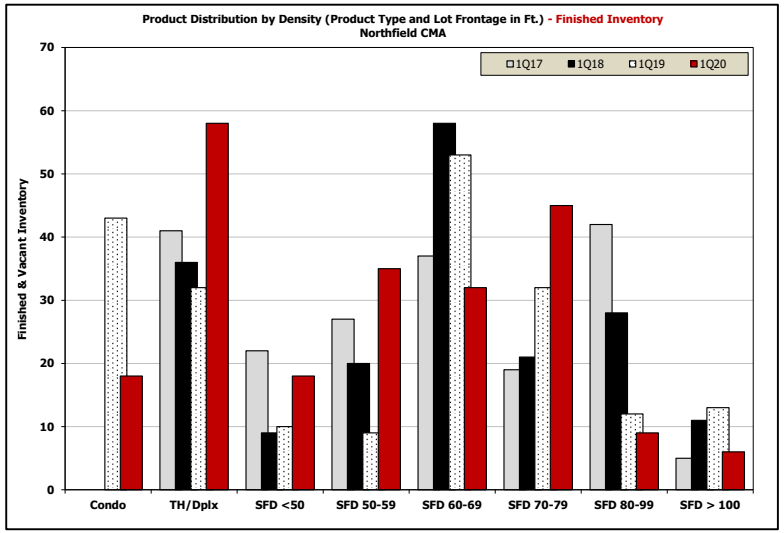


Northfield CMA	Annual Starts by Product Type/Lot Size								
Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
1Q17	57	323	84	231	204	270	162	74	1,405
1Q18	201	200	53	181	381	119	122	96	1,353
1Q19	195	188	75	132	193	144	93	74	1,094
1Q20	102	280	89	237	219	189	98	74	1,288
Market Share									
1Q17	4.1%	23.0%	6.0%	16.4%	14.5%	19.2%	11.5%	5.3%	100%
1Q18	14.9%	14.8%	3.9%	13.4%	28.2%	8.8%	9.0%	7.1%	100%
1Q19	17.8%	17.2%	6.9%	12.1%	17.6%	13.2%	8.5%	6.8%	100%
1Q20	7.9%	21.7%	6.9%	18.4%	17.0%	14.7%	7.6%	5.7%	100%

Northfield CMA	Annual Closings by Product Type/Lot Size								
Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
1Q17	54	205	87	246	261	343	154	72	1,422
1Q18	70	242	81	199	361	140	161	90	1,344
1Q19	176	185	70	167	220	136	103	63	1,120
1Q20	150	201	76	186	179	160	119	82	1,153
Market Share									
1Q17	3.8%	14.4%	6.1%	17.3%	18.4%	24.1%	10.8%	5.1%	100%
1Q18	5.2%	18.0%	6.0%	14.8%	26.9%	10.4%	12.0%	6.7%	100%
1Q19	15.7%	16.5%	6.3%	14.9%	19.6%	12.1%	9.2%	5.6%	100%
1Q20	13.0%	17.4%	6.6%	16.1%	15.5%	13.9%	10.3%	7.1%	100%

Exhibit 47 ***: CMA Product Distribution, Vacant Developed Lots and Finished Inventory***





Northfield CMA	Vacant Developed Lots by Product Type/Lot Size								
Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
1Q17	233	200	29	229	492	174	323	248	1,928
1Q18	303	263	103	238	324	121	249	287	1,888
1Q19	156	462	129	290	263	286	176	213	1,975
1Q20	61	542	100	266	334	426	165	177	2,071
Market Share									
1Q17	12.1%	10.4%	1.5%	11.9%	25.5%	9.0%	16.8%	12.9%	100%
1Q18	16.0%	13.9%	5.5%	12.6%	17.2%	6.4%	13.2%	15.2%	100%
1Q19	7.9%	23.4%	6.5%	14.7%	13.3%	14.5%	8.9%	10.8%	100%
1Q20	2.9%	26.2%	4.8%	12.8%	16.1%	20.6%	8.0%	8.5%	100%

Northfield CMA	Finished & Vacant Inventory by Product Type/Lot Size								
Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
1Q17	0	41	22	27	37	19	42	5	193
1Q18	0	36	9	20	58	21	28	11	183
1Q19	43	32	10	9	53	32	12	13	204
1Q20	18	58	18	35	32	45	9	6	221
Market Share									
1Q17	0.0%	21.2%	11.4%	14.0%	19.2%	9.8%	21.8%	2.6%	100%
1Q18	0.0%	19.7%	4.9%	10.9%	31.7%	11.5%	15.3%	6.0%	100%
1Q19	21.1%	15.7%	4.9%	4.4%	26.0%	15.7%	5.9%	6.4%	100%
1Q20	8.1%	26.2%	8.1%	15.8%	14.5%	20.4%	4.1%	2.7%	100%

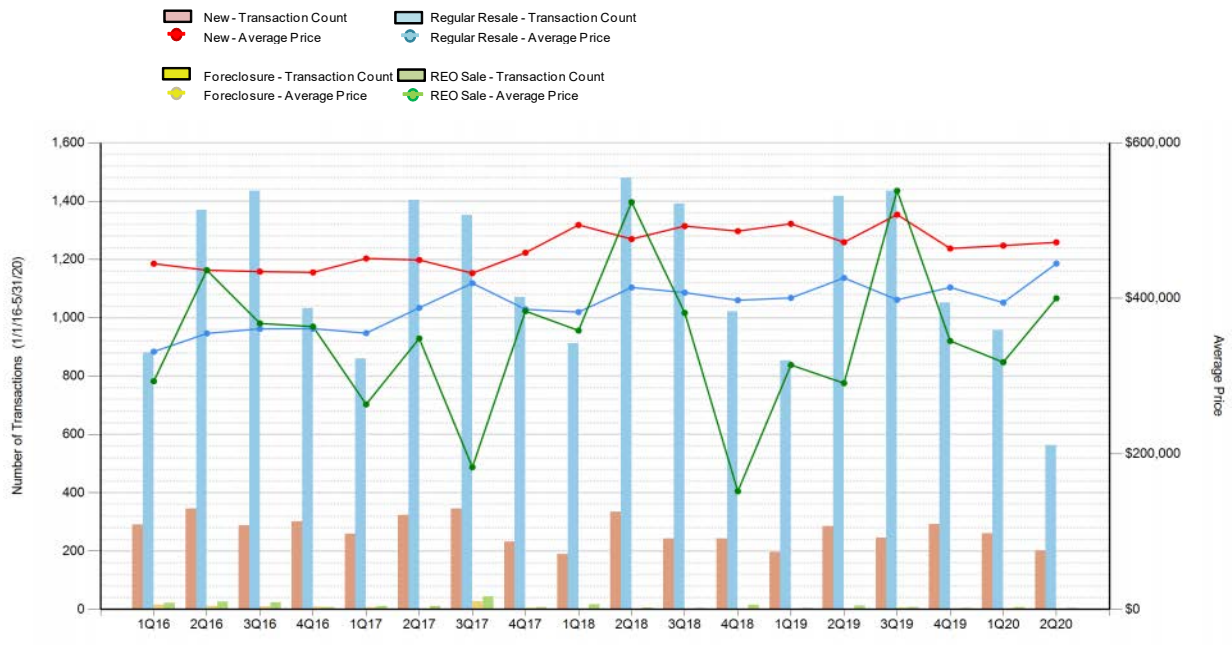
Resale Activity

Exhibit 48 ***: New, Resale, and Foreclosures by Housing Type – Northfield CMA***

New, Resale, and Foreclosures By Housing Type
Northfield CMA

Date Range: 6/1/2019 to 5/31/2020

	Single Family					TH/Plex/Other				Condominium				Other/Unkn	Total
Transaction Type	Count	Avg Price	Avg SF	$ / SF	Avg Lot SF	Count	Avg Price	Avg SF	$ / SF	Count	Avg Price	Avg SF	$ / SF	Count	Count
New	791	$513,249	2,390	$209.9	8,387	223	$380,953	1,651	$232.7	75	$377,568	1,533	$297.1	4	1,093
Regular Resale	3,410	$441,100	2,275	$218.4	13,528	408	$358,021	1,719	$214.3	536	$279,680	1,166	$244.5	121	4,475
Foreclosure	7	---	---	---	---	3	---	---	---	1	---	---	---	2	13
REO Sale	21	---	---	---	---	1	---	---	---	3	---	---	---	6	31
Selection Totals	**4,229**	**$454,673**	**2,293**	**$217.2**	**13,158**	**635**	**$366,084**	**1,696**	**$220.6**	**615**	**$291,734**	**1,199**	**$248.7**	**133**	**5,612**



Competitive Market Analysis

Exhibit 49 ***: CMA Comparable New Home Communities - Condominiums***

Northfield CMA Market Rate Competitive Positioning - Condominium

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit: Plan Name	Unit: Bed- Bath	Unit: Floors- Parking	Unit: Size (Sq.Ft.)	Unit: Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1 Arrowhead Cottages (Condos)	3	0	0.0	Fossil Creek Unit 101	3 - 4.0	1 - 2	3,062	$749,900	$0	$5,024	$4,332	$749,900	$245
Fort Collins		0.0%	0										
Condominium			0.0										
Landmark Homes			0										
Note: Filing 1.													
				Averages			3,062	$749,900	$0	$5,024	$4,332	$749,900	$245
2 Centerra/Flats (Condos)	120	59	0.0	Stanford	1 - 1.0	1 - 0	967	$279,900	$0	$2,967	$2,880	$279,900	$289
Loveland		49.2%	0	Princeton	2 - 2.0	1 - 0	1,015	$294,900	$0	$3,126	$2,880	$294,900	$291
Condominium			2.5	Oxford	2 - 2.0	1 - 0	1,073	$309,900	$0	$3,285	$2,880	$309,900	$289
Landmark Homes			30	Harvard	2 - 2.0	1 - 1	1,098	$334,900	$0	$3,550	$2,880	$334,900	$305
Note: Filing 1.				Cambridge	3 - 2.0	1 - 0	1,362	$329,900	$0	$3,497	$2,880	$329,900	$242
				Averages			1,103	$309,900	$0	$3,285	$2,880	$309,900	$283
3 Confluence Fort Collins (Condos)	26	0	0.0	2-322	0 - 1.0	1 - 1	499	$395,000	$0	$2,805	$3,396	$395,000	$792
Fort Collins		0.0%	0	1-303	1 - 1.5	1 - 1	865	$559,000	$0	$3,969	$3,396	$559,000	$646
Condominium			0.0	3-335	2 - 2.0	2 - 1	1,333	$605,000	$0	$4,296	$3,396	$605,000	$454
Saunders Construction			0	1-201	1 - 1.5	1 - 1	1,367	$685,000	$0	$4,864	$3,396	$685,000	$501
Note: Filing 1. Pricing is from remaining homes on website.				3-331	2 - 2.5	2 - 1	1,407	$699,000	$0	$4,963	$3,396	$699,000	$497
				3-333	2 - 2.5	2 - 1	1,407	$635,000	$0	$4,509	$3,396	$635,000	$451
				Averages			1,146	$596,333	$0	$4,234	$3,396	$596,333	$557
4 Front Row on Mountain (Condos)	22	0	0.0	315	1 - 1.5	1 - 0	781	$495,000	$0	$3,663	$0	$495,000	$634
Fort Collins		0.0%	0	316	1 - 1.5	1 - 0	817	$499,000	$0	$3,693	$0	$499,000	$611
Condominium			0.0	318	1 - 1.5	1 - 0	916	$530,000	$0	$3,922	$0	$530,000	$579
The Neenan Company			0	412	1 - 1.5	1 - 0	1,027	$614,000	$0	$4,544	$0	$614,000	$598
Note: Filing 1.				312	1 - 1.5	1 - 0	1,031	$590,000	$0	$4,366	$0	$590,000	$572
				313	1 - 1.5	1 - 0	1,036	$639,000	$0	$4,729	$0	$639,000	$617
				413	1 - 1.5	1 - 0	1,036	$665,000	$0	$4,921	$0	$665,000	$642
				319	1 - 1.5	1 - 0	1,053	$549,000	$0	$4,063	$0	$549,000	$521
				411	1 - 1.5	1 - 0	1,078	$692,000	$0	$5,121	$0	$692,000	$642
				311	1 - 1.5	1 - 0	1,082	$665,000	$0	$4,921	$0	$665,000	$615
				320	1 - 1.5	1 - 0	1,141	$649,000	$0	$4,803	$0	$649,000	$569
				418	1 - 1.5	1 - 0	1,143	$675,000	$0	$4,995	$0	$675,000	$591
				317	2 - 2.5	1 - 0	1,472	$849,000	$0	$6,283	$0	$849,000	$577
				416	2 - 2.5	1 - 0	1,554	$995,000	$0	$7,363	$0	$995,000	$640
				410	2 - 2.5	1 - 0	1,733	$1,319,000	$0	$9,761	$0	$1,319,000	$761
				310	2 - 2.5	1 - 0	1,737	$1,125,000	$0	$8,325	$0	$1,125,000	$648
				414	2 - 2.5	1 - 0	1,747	$1,295,000	$0	$9,583	$0	$1,295,000	$741
				314	2 - 2.5	1 - 0	1,748	$1,189,000	$0	$8,799	$0	$1,189,000	$680
				321	2 - 2.5	1 - 0	2,417	$1,215,900	$0	$8,998	$0	$1,215,900	$503
				419	2 - 2.5	1 - 0	2,418	$1,385,000	$0	$10,249	$0	$1,385,000	$573
				Averages			1,348	$831,745	$0	$6,155	$0	$831,745	$616
5 Highland Meadows/La Riva - Portofino (Condos)	96	47	4.0	Stanford	1 - 1.0	1 - 1	962	$289,900	$0	$2,696	$3,000	$289,900	$301
Windsor		49.0%	48	Oxford	2 - 2.0	1 - 1	1,083	$329,900	$0	$3,068	$3,000	$329,900	$305
Condominium			2.3	Harvard	2 - 2.0	1 - 1	1,111	$344,900	$0	$3,208	$3,000	$344,900	$310
Landmark Homes			28	Princeton	2 - 2.0	1 - 1	1,160	$334,900	$0	$3,115	$3,000	$334,900	$289
Note: Filing 1.				Cambridge	3 - 2.0	1 - 1	1,375	$389,900	$0	$3,626	$3,000	$389,900	$284
				Averages			1,138	$337,900	$0	$3,142	$3,000	$337,900	$298

Northfield CMA Market Rate Competitive Positioning - Condominium

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit Plan Name	Bed- Bath	Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
6 Myridium Luxury Residences (Condos)	29	16	0.0	Unit 102	0 - 0.8	1 - 0	650	$325,000	$0	$2,308	$0	$325,000	$500
Fort Collins		55.2%	0	Unit 212	1 - 1.5	1 - 0	798	$400,000	$0	$2,840	$0	$400,000	$501
Condominium			0.9	Unit 103	1 - 0.8	2 - 0	1,112	$520,000	$0	$3,692	$0	$520,000	$468
Dohn Construction			11	Unit 304	2 - 2.5	1 - 0	1,189	$670,000	$0	$4,757	$0	$670,000	$563
Note: Filing 1.				Unit 204	2 - 2.5	1 - 0	1,205	$645,000	$0	$4,580	$0	$645,000	$535
				Unit 311	2 - 2.5	1 - 0	1,257	$645,000	$0	$4,580	$0	$645,000	$513
				Unit 214	2 - 2.5	1 - 0	1,301	$645,000	$0	$4,580	$0	$645,000	$496
				Unit 313	2 - 2.5	1 - 0	1,327	$715,000	$0	$5,077	$0	$715,000	$539
				Unit 201	2 - 2.5	1 - 0	1,329	$698,000	$0	$4,956	$0	$698,000	$525
				Unit 213	2 - 2.5	1 - 0	1,342	$698,000	$0	$4,956	$0	$698,000	$520
				Unit 301	2 - 2.5	1 - 0	1,354	$725,000	$0	$5,148	$0	$725,000	$535
				Unit 309	2 - 2.5	2 - 0	1,362	$720,000	$0	$5,112	$0	$720,000	$529
				Unit 303	1 - 1.5	2 - 0	1,401	$698,000	$0	$4,956	$0	$698,000	$498
				Unit 305	1 - 1.5	2 - 0	1,401	$698,000	$0	$4,956	$0	$698,000	$498
				Unit 310	1 - 1.5	2 - 0	1,401	$698,000	$0	$4,956	$0	$698,000	$498
				Unit 312	1 - 1.5	2 - 0	1,401	$698,000	$0	$4,956	$0	$698,000	$498
				Averages			1,239	$637,375	$0	$4,525	$0	$637,375	$514
7 Oasis on Olive (Condos)	7	0	0.0	Unit C	2 - 2.0	1 - 1	1,044	$735,000	$0	$5,439	$4,200	$735,000	$704
Fort Collins		0.0%	0	Unit E	2 - 2.0	1 - 1	1,194	$735,000	$0	$5,439	$4,200	$735,000	$616
Condominium			0.0	Unit B	2 - 2.0	1 - 1	1,196	$715,000	$0	$5,291	$4,200	$715,000	$598
Oasis Development			0	Unit D	2 - 2.0	1 - 1	1,247	$825,000	$0	$6,105	$4,200	$825,000	$662
Note: Filing 1.				Unit A	2 - 1.0	1 - 1	1,652	$575,000	$0	$4,255	$4,200	$575,000	$348
				Averages			1,267	$717,000	$0	$5,306	$4,200	$717,000	$585
8 Wellington Village South (Condos)	86	63	1.8	Dawson	2 - 2.5	2 - 1	1,198	$259,900	$0	$2,027	$1,740	$259,900	$217
Wellington		73.3%	21	Elliot	2 - 2.5	2 - 1	1,303	$264,900	$0	$2,066	$1,740	$264,900	$203
Condominium			3.1	Augustus	2 - 2.5	2 - 1	1,712	$299,900	$0	$2,339	$1,740	$299,900	$175
FR Development			37	Glyndale	3 - 2.5	2 - 2	1,870	$294,900	$0	$2,300	$1,740	$294,900	$158
Note: Filing 1.													
				Averages			1,521	$279,900	$0	$2,183	$1,740	$279,900	$188
Competitive Market Area Summary:													
Planned	**389**		5.8	**Avg. Monthly**	**Min.**		499	$259,900	$0	$2,027	$0	$259,900	$158
Occ.	**185**		69	**Last Ann. Start**	**Max.**		3,062	$1,385,000	$0	$10,249	$4,332	$1,385,000	$792
Remaining	**204**		8.8	**Avg. Monthly**	**Average**		1,296	$630,716	$0	$4,731	$1,324	$630,716	$495
			106	**Last Ann. Close**	**Median**		1,226	$645,000	$0	$4,654	$0	$645,000	$521

Exhibit 50 ***: CMA Base Price Position Graph – New Condominium Product***

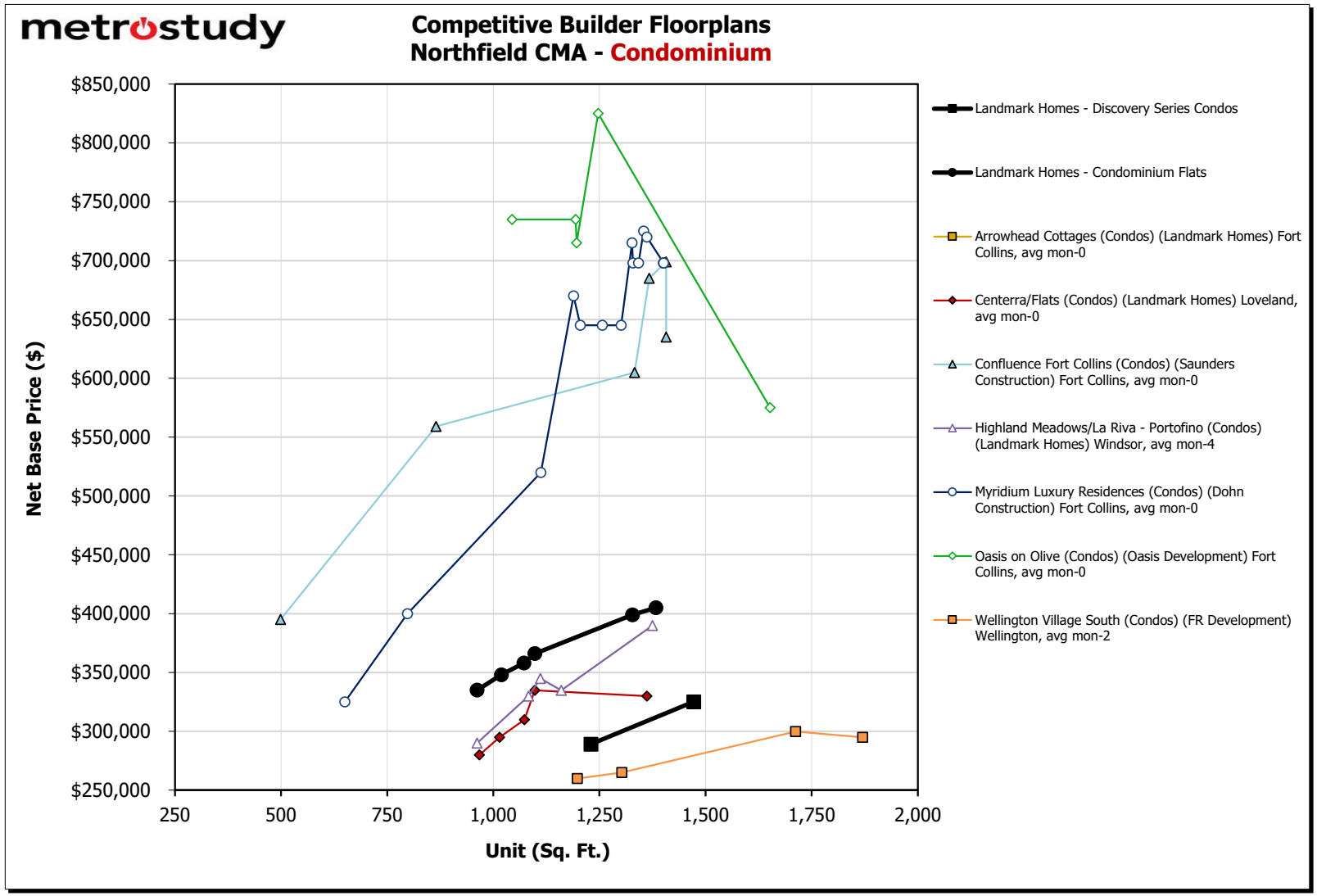


Exhibit 51 ***: CMA New Home Closing Price Position Graph – Condominium Product***

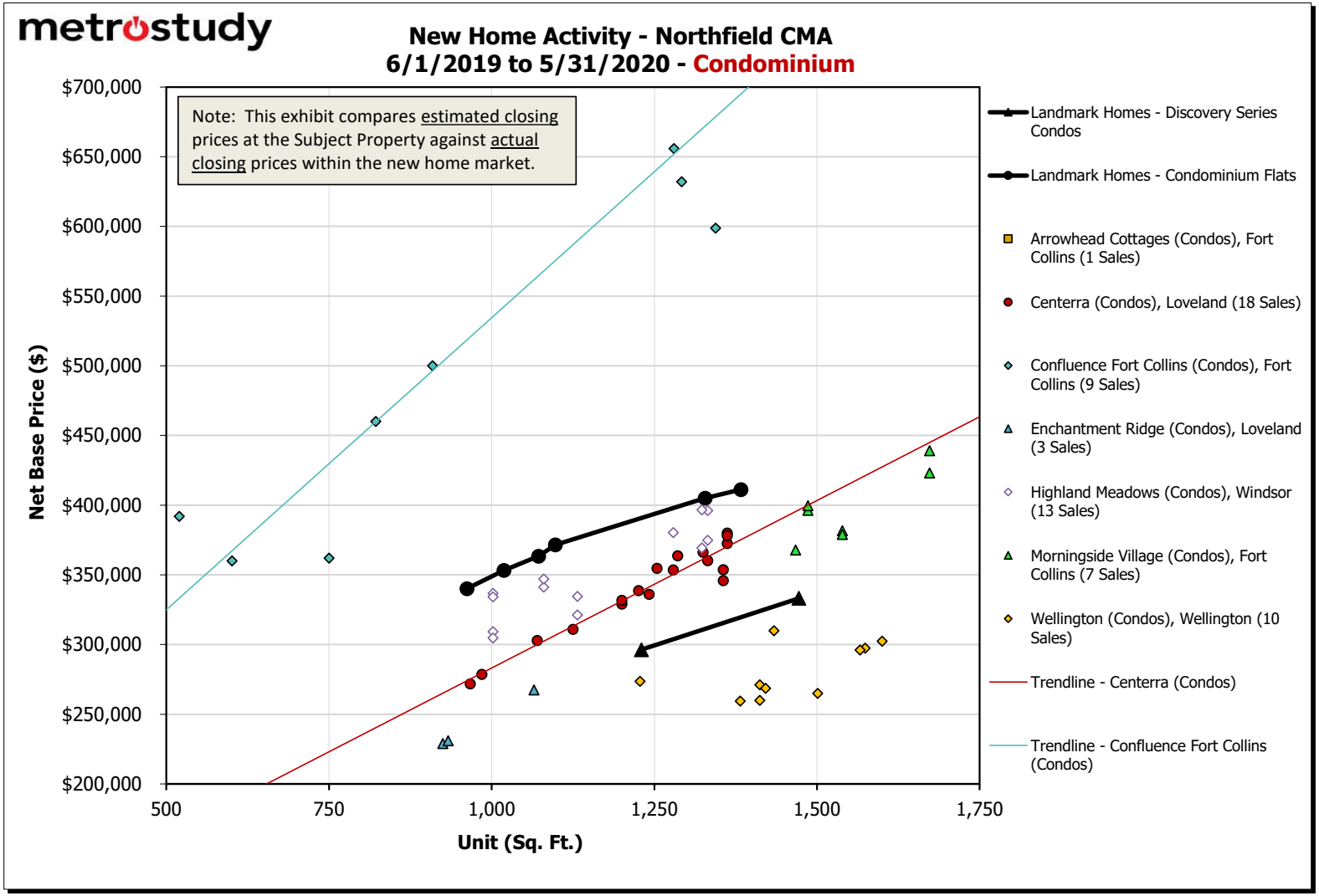


Exhibit 52 ***: CMA Resale Home Closing Price Position Graph – Condominium Product***

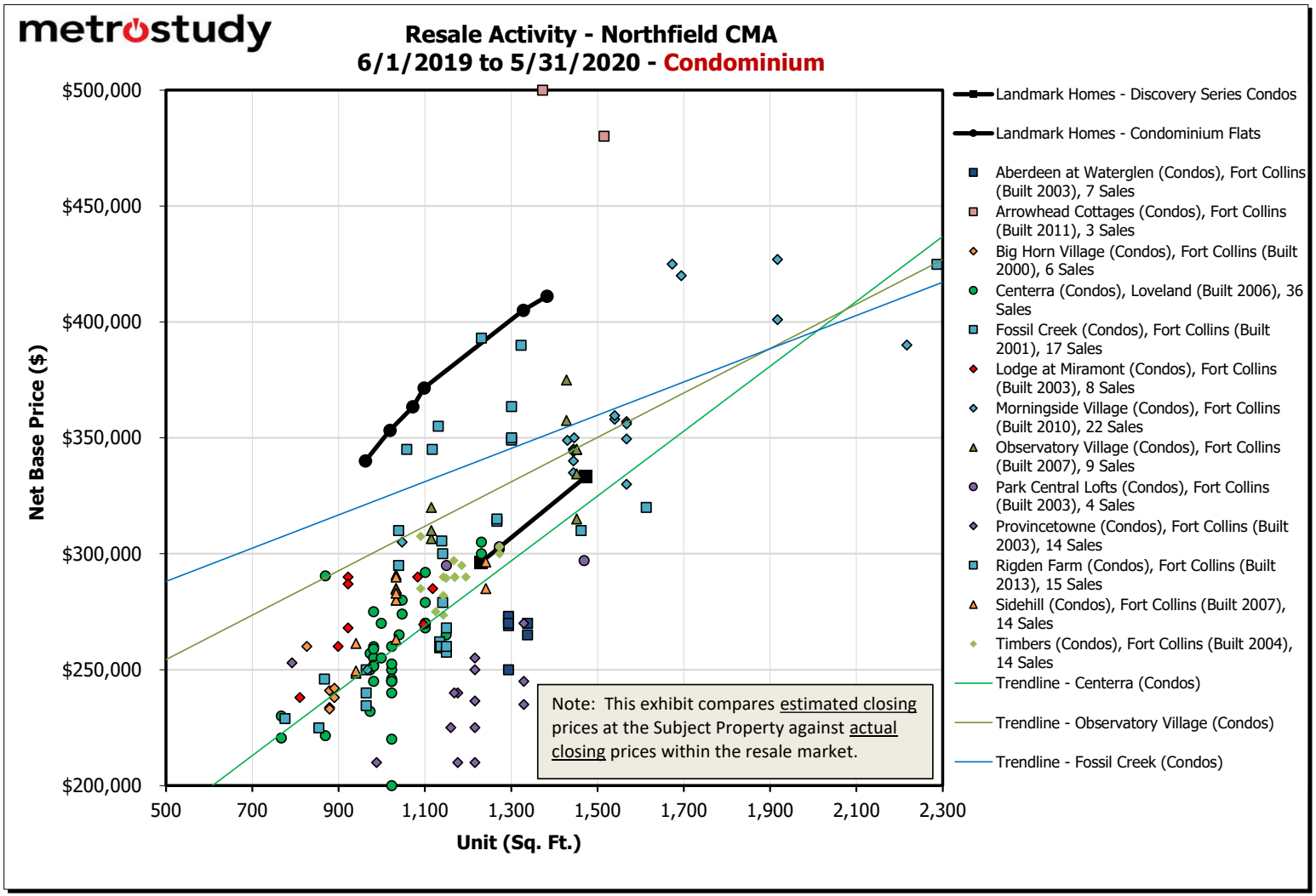


Exhibit 53 ***: CMA Comparable New Home Communities – Duplex/Paired Homes***

Northfield CMA Market Rate Competitive Positioning - Duplex

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit: Plan Name	Bed- Bath	Floors-Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1 Country Farms Village - Cottages (DU)	11	0	0.3	Larkspur	2 - 2.5	1 - 2	1,785	$479,900	$0	$5,135	$250	$479,900	$269
Windsor		0.0%	3	Columbine	2 - 2.5	1 - 2	1,848	$519,900	$0	$5,563	$250	$519,900	$281
Duplex			0.0										
Landmark Homes			0										
Note: Filing 1.													
					Averages		1,817	$499,900	$0	$5,349	$250	$499,900	$275
2 Harmony/Villas (DU)	24	3	0.3	1783	2 - 2.0	1 - 2	1,783	$695,000	$0	$5,143	$3,588	$695,000	$390
Timnath		12.5%	4	1832	2 - 2.0	1 - 2	1,832	$699,900	$0	$5,179	$3,588	$699,900	$382
Duplex			0.3										
Schuman Companies			3										
Note: Filing 3.													
					Averages		1,808	$697,450	$0	$5,161	$3,588	$697,450	$386
3 Mosaic (DU)	126	44	3.2	Radiant	2 - 3.0	2 - 2	1,305	$371,900	$0	$2,492	$600	$371,900	$285
Fort Collins		34.9%	38	Sparkle	2 - 3.0	2 - 2	1,466	$380,900	$0	$2,552	$600	$380,900	$260
Duplex			2.4	Vibrant	3 - 3.0	2 - 2	1,806	$411,900	$0	$2,760	$600	$411,900	$228
Lennar Homes			29										
Note: Filing 2.													
					Averages		1,526	$388,233	$0	$2,601	$600	$388,233	$258
4 Registry Ridge (DU)	56	6	0.5	Marissa	3 - 2.5	2 - 2	1,727	$373,990	$0	$2,244	$0	$373,990	$217
Fort Collins		10.7%	6	Abbey	3 - 2.5	2 - 2	2,108	$389,990	$0	$2,340	$0	$389,990	$185
Duplex			0.5	Alex	3 - 2.5	2 - 2	2,189	$394,990	$0	$2,370	$0	$394,990	$180
Lokal Homes			6										
Note: Filing 7.													
					Averages		2,008	$386,323	$0	$2,318	$0	$386,323	$194
5 Trailside on Harmony - Garden (DU)	42	0	0.8	Basil	2 - 2.0	1 - 2	1,482	$354,900	$0	$3,904	$0	$354,900	$239
Timnath		0.0%	10	Sage	3 - 2.5	2 - 2	1,566	$357,900	$0	$3,937	$0	$357,900	$229
Duplex			0.0	Thyme	3 - 2.5	2 - 2	1,646	$364,900	$0	$4,014	$0	$364,900	$222
Wonderland Homes			0										
Note: Filing 1.													
					Averages		1,565	$359,233	$0	$3,952	$0	$359,233	$230
Competitive Market Area Summary:													
Planned	**259**		5.1	**Avg. Monthly**		**Min.**	1,305	$354,900	$0	$2,244	$0	$354,900	$180
Occ.	**53**		61	**Last Ann. Start**		**Max.**	2,189	$699,900	$0	$5,563	$3,588	$699,900	$390
Remaining	**206**		3.2	**Avg. Monthly**		**Average**	1,734	$445,852	$0	$3,664	$729	$445,852	$259
			38	**Last Ann. Close**		**Median**	1,783	$389,990	$0	$3,904	$250	$389,990	$239

Exhibit 54 ***: CMA Base Price Position Graph – New Duplex/Paired Product***

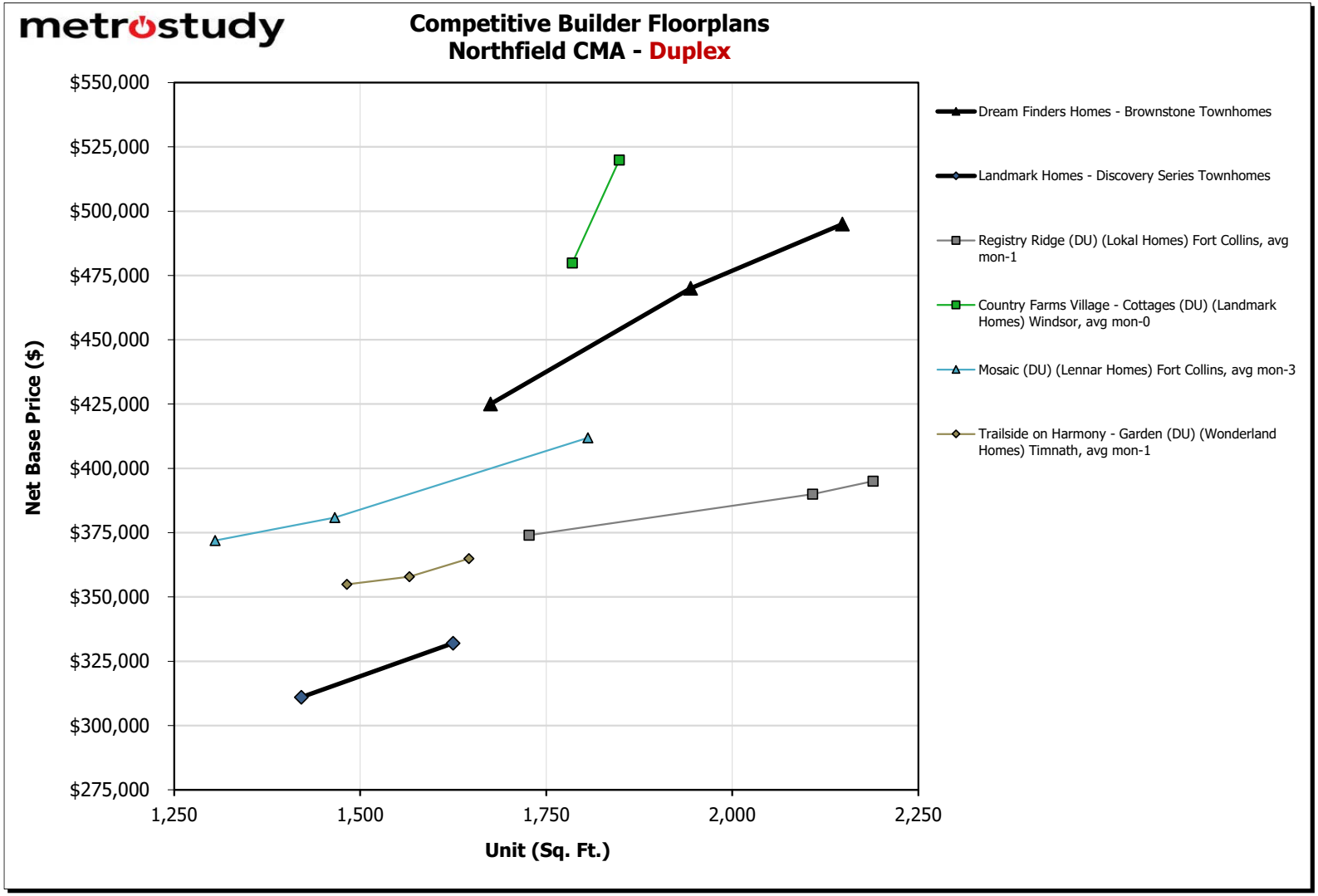


Exhibit 55 ***: CMA New Home Closing Price Position Graph – Duplex/Paired Product***

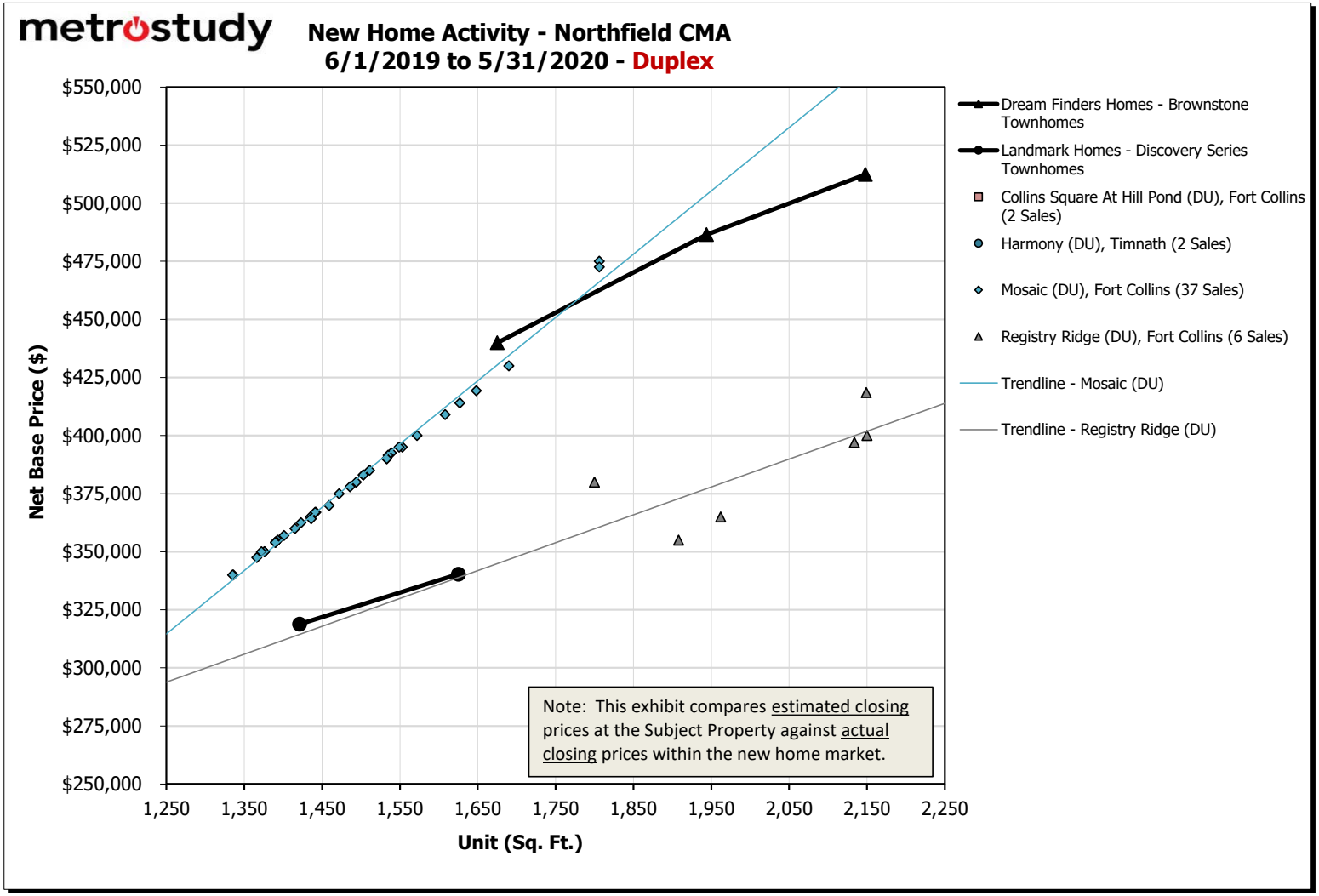


Exhibit 56 ***: CMA Resale Home Closing Price Position Graph – Duplex/Paired Product***

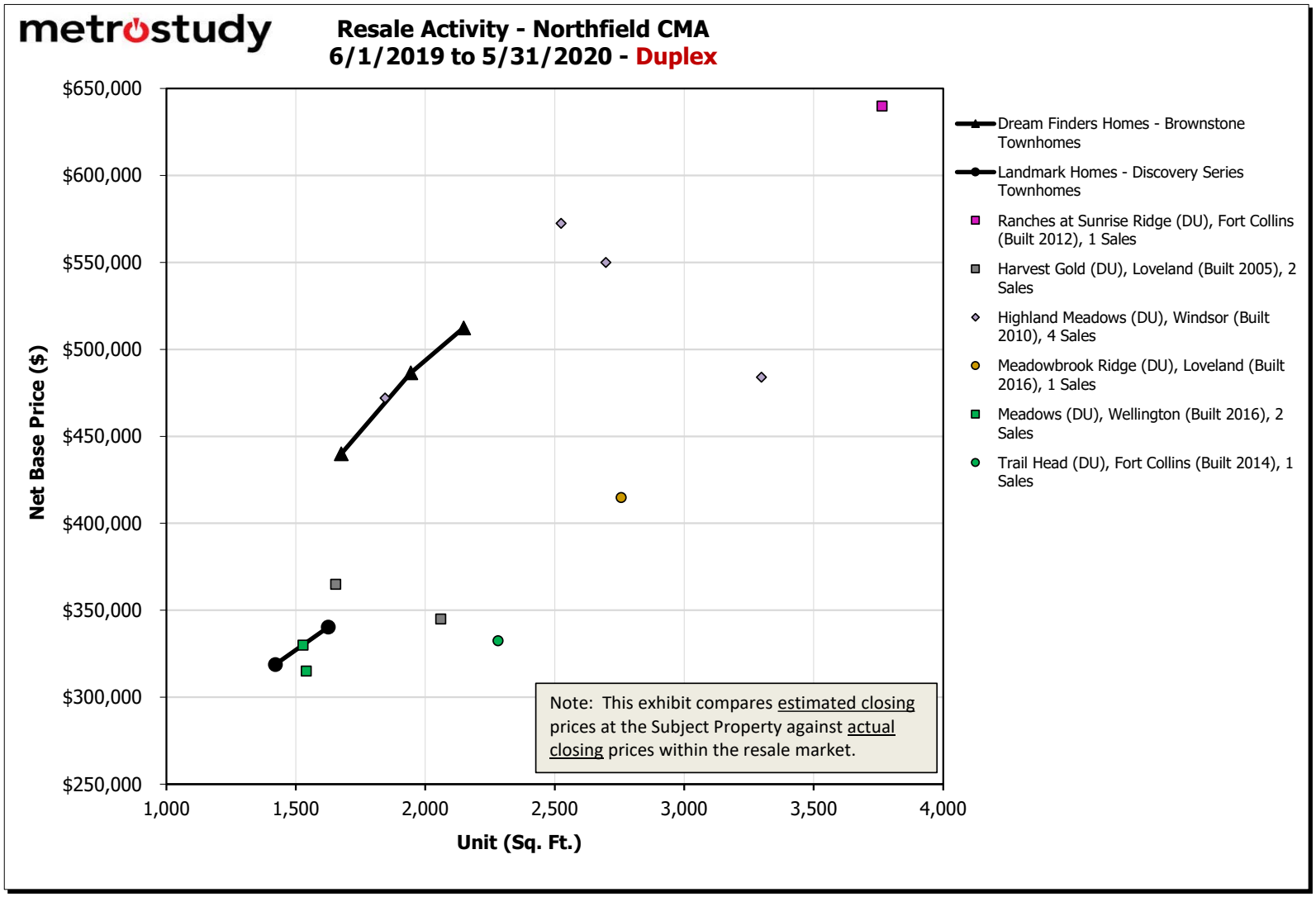


Exhibit 57 ***: CMA Comparable New Home Communities - Townhomes***

Northfield CMA Market Rate Competitive Positioning - Townhome

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit: Plan Name	Unit: Bed- Bath	Unit: Floors- Parking	Unit: Size (Sq.Ft.)	Unit: Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1 Centerra/Lakes - Towns (TH)	54	36	0.4	Breakwater	2 - 2.5	2 - 2	1,455	$359,900	$0	$3,815	$3,420	$359,900	$247
Loveland		66.7%	5	Concord	3 - 2.5	2 - 2	1,599	$379,900	$0	$4,027	$3,420	$379,900	$238
Townhome			0.7	Ambrose	3 - 2.5	2 - 2	1,794	$399,900	$0	$4,239	$3,420	$399,900	$223
Landmark Homes			8										
Note: Filings 7, 10.													
					Averages		1,616	$379,900	$0	$4,027	$3,420	$379,900	$236
2 Country Farms Village - Towns (TH)	57	0	1.0	Addison	3 - 2.5	2 - 2	1,521	$394,900	$0	$4,225	$0	$394,900	$260
Windsor		0.0%	12	Camden	3 - 2.5	2 - 2	1,538	$379,900	$0	$4,065	$0	$379,900	$247
Townhome			0.0	Barrington	2 - 2.5	2 - 2	1,797	$349,900	$0	$3,744	$0	$349,900	$195
Landmark Homes			0	Devon	3 - 2.5	2 - 2	2,399	$484,900	$0	$5,188	$0	$484,900	$202
Note: Filing 3.													
					Averages		1,814	$402,400	$0	$4,306	$0	$402,400	$226
3 Harmony/Club (TH)	36	0	0.7	Silverdale	3 - 2.5	2 - 2	2,115	$694,000	$0	$5,136	$0	$694,000	$328
Timnath		0.0%	8	Victoria	3 - 2.5	2 - 2	2,226	$659,900	$0	$4,883	$0	$659,900	$296
Townhome			0.0										
Landmark Homes			0										
Note: Filing 6.													
					Averages		2,171	$676,950	$0	$5,009	$0	$676,950	$312
4 Kendall Brook (TH)	84	33	2.1	Barrington	2 - 2.5	2 - 2	1,421	$359,900	$0	$2,015	$3,000	$359,900	$253
Loveland		39.3%	25	Camden	3 - 2.5	2 - 2	1,572	$384,900	$0	$2,155	$3,000	$384,900	$245
Townhome			2.6	Addison	3 - 2.5	2 - 2	1,712	$414,900	$0	$2,323	$3,000	$414,900	$242
Landmark Homes			31	Devon	3 - 2.5	2 - 2	2,399	$454,900	$0	$2,547	$3,000	$454,900	$190
Note: Filing 2.													
					Averages		1,776	$403,650	$0	$2,260	$3,000	$403,650	$233
5 Mosaic (TH)	209	39	3.2	Howes	3 - 2.5	2 - 2	1,665	$344,900	$0	$2,311	$2,280	$344,900	$207
Fort Collins		18.7%	38	Akin	3 - 2.5	2 - 2	1,685	$366,900	$0	$2,458	$2,280	$366,900	$218
Townhome			2.7										
Hartford Homes			32										
Note: Filing 3.													
					Averages		1,675	$355,900	$0	$2,385	$2,280	$355,900	$212
6 Old Town North (TH)	40	31	0.3	908 Jerome Unit 2	3 - 3.5	2 - 2	1,673	$539,900	$0	$3,617	$1,140	$539,900	$323
Fort Collins		77.5%	4	908 Jerome Unit 3	3 - 3.5	2 - 2	1,673	$539,900	$0	$3,617	$1,140	$539,900	$323
Townhome			0.6	908 Jerome Unit 4	3 - 3.5	2 - 2	1,673	$555,500	$0	$3,722	$1,140	$555,500	$332
Philgreen Construction			7										
Note: Filing 1. Pricing from 4Q19.													
					Averages		1,673	$545,100	$0	$3,652	$1,140	$545,100	$326

Northfield CMA Market Rate Competitive Positioning - Townhome

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit Plan Name	Bed- Bath	Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
7 Revive (TH)	37	28	0.0	314 Green Leaf Unit 2	2 - 2.5	3 - 2	1,576	$445,000	$0	$2,982	$2,400	$445,000	$282
Fort Collins		75.7%	0	240 Urban Prairie Unit 4	2 - 2.5	3 - 2	1,623	$455,000	$0	$3,049	$2,400	$455,000	$280
Townhome			0.3	314 Green Leaf Unit 1	2 - 2.5	3 - 2	2,072	$525,000	$0	$3,518	$2,400	$525,000	$253
Philgreen Construction			3	314 Green Leaf Unit 3	3 - 3.5	3 - 2	2,072	$530,000	$0	$3,551	$2,400	$530,000	$256
Note: Filing 1. Base prices are remaining spec homes.													
				Averages			1,836	$488,750	$0	$3,275	$2,400	$488,750	$268
8 Seven Lakes (TH)	40	22	0.7	Meadowlark	3 - 3.0	2 - 1	1,436	$370,000	$0	$2,072	$1,920	$370,000	$258
Loveland		55.0%	8	Mallard	2 - 3.0	2 - 2	1,742	$430,000	$0	$2,408	$1,920	$430,000	$247
Townhome			0.8										
Glen Homes			10										
Note: Filings 11, 12.													
				Averages			1,589	$400,000	$0	$2,240	$1,920	$400,000	$252
9 Timnath Ranch North (TH)	73	17	2.5	Addison	3 - 2.5	2 - 2	1,521	$409,900	$0	$4,509	$3,000	$409,900	$269
Timnath		23.3%	30	Camden	3 - 2.5	2 - 2	1,538	$384,900	$0	$4,234	$3,000	$384,900	$250
Townhome			1.4	Barrington	2 - 2.5	2 - 2	1,797	$359,900	$0	$3,959	$3,000	$359,900	$200
Landmark Homes			17	Devon	3 - 2.5	2 - 2	2,399	$464,900	$0	$5,114	$3,000	$464,900	$194
Note: Filing 7.													
				Averages			1,814	$404,900	$0	$4,454	$3,000	$404,900	$228
10 Townhomes on Vine (TH)	89	9	2.3	Magnolia	3 - 2.0	1 - 2	1,468	$389,400	$0	$2,609	$2,220	$389,400	$265
Fort Collins		10.1%	27	Willow	3 - 2.5	2 - 2	1,471	$351,900	$0	$2,358	$2,220	$351,900	$239
Townhome			0.8	Linden	3 - 2.5	2 - 2	1,540	$392,900	$0	$2,632	$2,220	$392,900	$255
Trailhead Homes			9										
Note: Filing 2.													
				Averages			1,493	$378,067	$0	$2,533	$2,220	$378,067	$253
11 Trailside on Harmony (TH)	47	0	1.3	Akin	3 - 2.5	2 - 2	1,629	$362,000	$0	$3,982	$2,220	$362,000	$222
Timnath		0.0%	15	Howes	3 - 2.5	2 - 2	1,642	$340,000	$0	$3,740	$2,220	$340,000	$207
Townhome			0.0										
Hartford Homes			0										
Note: Filing 1.													
				Averages			1,636	$351,000	$0	$3,861	$2,220	$351,000	$215
12 Wellington South Estates/Harvest Village (TH)	59	13	1.8	Ouray	3 - 2.5	2 - 2	1,692	$284,900	$0	$2,222	$1,980	$284,900	$168
Wellington		22.0%	21	Durango	3 - 2.5	2 - 2	1,716	$304,950	$0	$2,379	$1,980	$304,950	$178
Townhome			1.1										
Hartford Homes			13										
Note: Filing 1.													
				Averages			1,704	$294,925	$0	$2,300	$1,980	$294,925	$173
Competitive Market Area Summary:													
Planned	**825**		16.1	**Avg. Monthly**	**Min.**		1,421	$284,900	$0	$2,015	$0	$284,900	$168
Occ.	**228**		193	**Last Ann. Start**	**Max.**		2,399	$694,000	$0	$5,188	$3,420	$694,000	$332
Remaining	**597**		10.8	**Avg. Monthly**	**Average**		1,739	$424,730	$0	$3,412	$2,021	$424,730	$246
			130	**Last Ann. Close**	**Median**		1,673	$392,900	$0	$3,617	$2,220	$392,900	$247

Exhibit 58 ***: CMA Base Price Position Graph – Townhome Product***

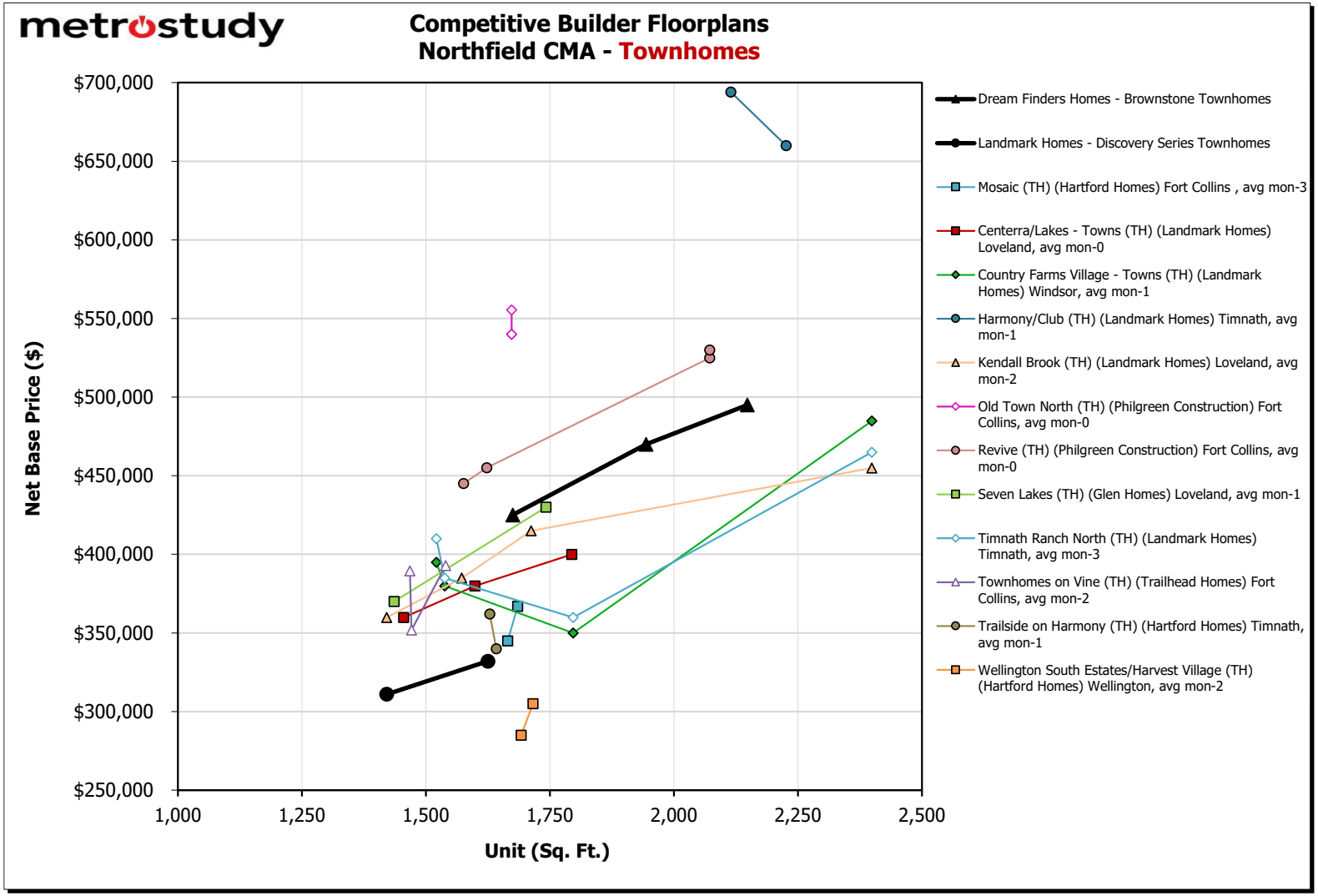


Exhibit 59 ***: CMA New Home Closing Price Position Graph – Townhome Products***

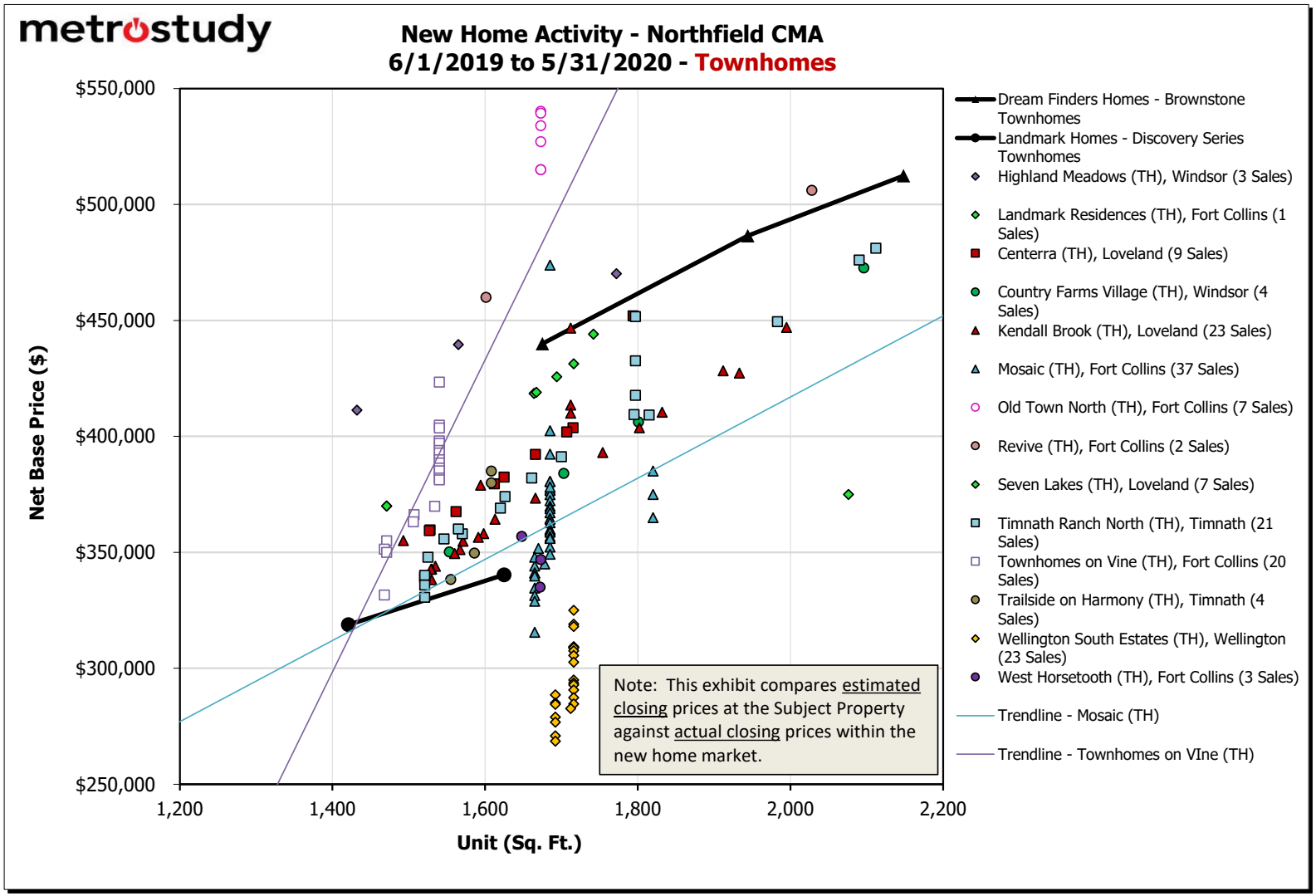


Exhibit 60 ***: CMA Resale Home Closing Price Position Graph – Townhome Product***

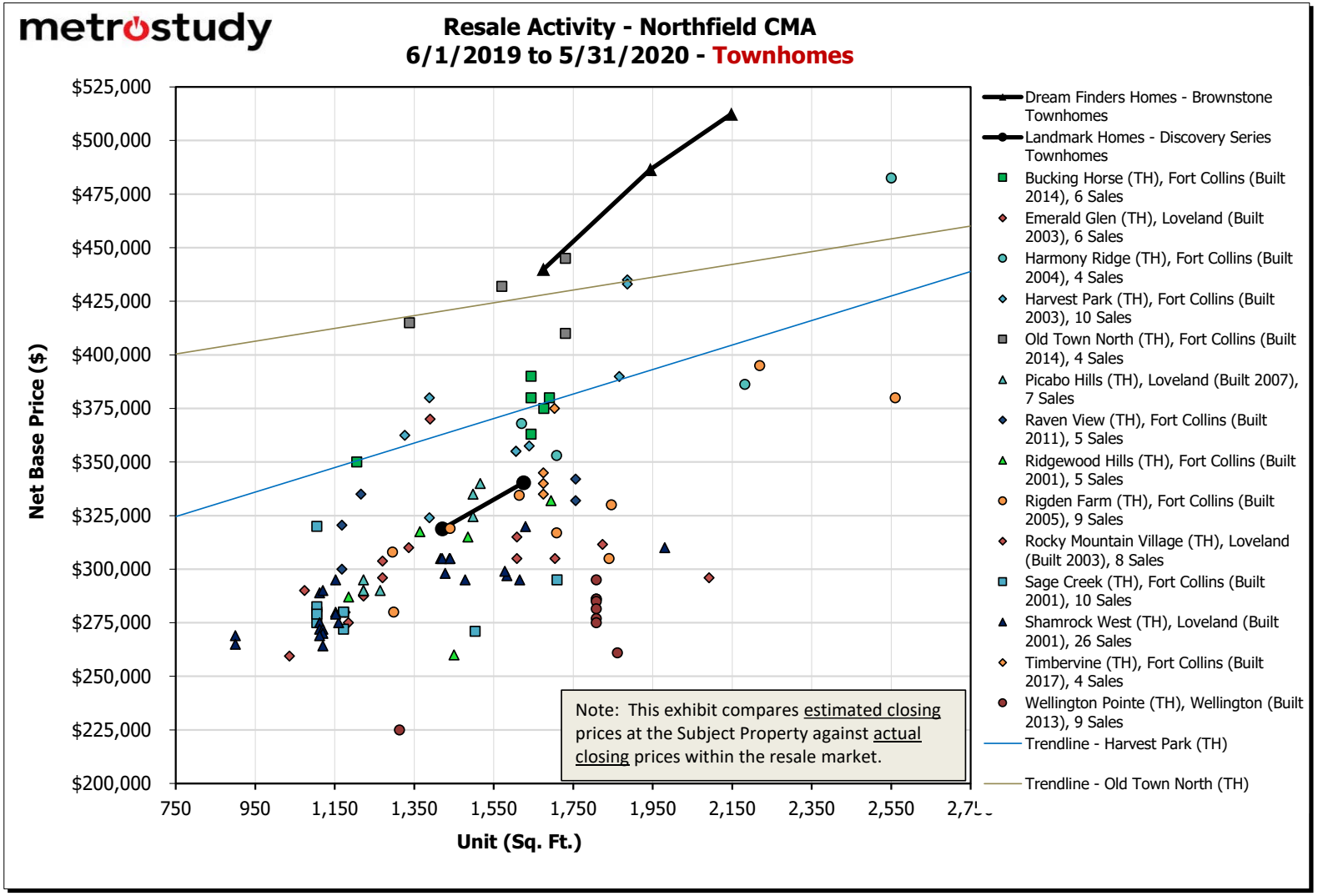


Exhibit 61 ***: CMA Comparable New Home Communities – SFD on < 50' Wide Lots***

Northfield CMA Market Rate Competitive Positioning - Single-Family Detached <50'

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Unit: Plan Name	Bed- Bath	Floors-Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1 Centerra/Lakes	61	37	2.8	Ambition	3 - 2.0	1 - 2	1,382	$351,000	$0	$3,721	$480	$351,000	$254
Loveland		60.7%	33	Aspire	3 - 2.0	1 - 2	1,532	$362,000	$0	$3,837	$480	$362,000	$236
SF Detached - Avg. 45 x 115			3.1	Vision	3 - 2.5	2 - 2	1,624	$364,000	$0	$3,858	$480	$364,000	$224
KB Homes			37	Brilliance	3 - 2.0	1 - 2	1,902	$370,000	$0	$3,922	$480	$370,000	$195
Note: Filing 12.				Glimpse	3 - 2.5	2 - 2	1,923	$370,000	$0	$3,922	$480	$370,000	$192
				Memory	3 - 2.5	2 - 2	2,282	$388,000	$0	$4,113	$480	$388,000	$170
				Sparkle	3 - 2.5	2 - 2	2,502	$401,000	$0	$4,251	$480	$401,000	$160
				Serendipity	3 - 2.5	2 - 2	2,583	$406,000	$0	$4,304	$480	$406,000	$157
				Averages			1,966	$376,500	$0	$3,991	$480	$376,500	$199
2 Mosaic	136	78	3.1	Edison	3 - 2.5	2 - 2	1,645	$397,000	$0	$2,660	$600	$397,000	$241
Fort Collins		57.4%	37	Franklin	2 - 2.5	2 - 2	1,762	$416,900	$0	$2,793	$600	$416,900	$237
SF Detached - Avg. 40 x 100			3.1	Galileo	3 - 2.5	2 - 2	1,948	$412,000	$0	$2,760	$600	$412,000	$211
Hartford Homes			37	Newton	3 - 2.5	2 - 2	2,037	$429,000	$0	$2,874	$600	$429,000	$211
Note: Filing 2.													
				Averages			1,848	$413,725	$0	$2,772	$600	$413,725	$225
3 Trailside on Harmony	30	0	0.6	Edison	3 - 2.5	2 - 2	1,645	$397,500	$0	$4,373	$0	$397,500	$242
Timnath		0.0%	7	Galileo	3 - 2.5	2 - 2	1,948	$407,500	$0	$4,483	$0	$407,500	$209
SF Detached - Avg. 40 x 95			0.0	Madame Curie	3 - 2.5	2 - 2	1,977	$402,500	$0	$4,428	$0	$402,500	$204
Hartford Homes			0	Newton	3 - 2.5	2 - 2	2,037	$420,500	$0	$4,626	$0	$420,500	$206
Note: Filing 1.				Tesla	3 - 2.5	2 - 2	2,285	$429,500	$0	$4,725	$0	$429,500	$188
				Averages			1,978	$411,500	$0	$4,527	$0	$411,500	$210
4 Trailside on Harmony - Meadow	30	0	0.8	Abilene	2 - 2.0	1 - 2	1,467	$389,900	$0	$4,289	$0	$389,900	$266
Timnath		0.0%	9	Aspen	3 - 2.5	2 - 2	1,694	$396,900	$0	$4,366	$0	$396,900	$234
SF Detached - Avg. 40 x 95			0.0	Blossom	3 - 2.5	2 - 2	1,801	$409,900	$0	$4,509	$0	$409,900	$228
Wonderland Homes			0	Cascade	3 - 2.5	2 - 2	1,992	$425,900	$0	$4,685	$0	$425,900	$214
Note: Filing 1.				Prairie	4 - 3.0	2 - 2	1,991	$445,900	$0	$4,905	$0	$445,900	$224
				Averages			1,789	$413,700	$0	$4,551	$0	$413,700	$233
Competitive Market Area Summary:													
Planned	**257**		7.2	**Avg. Monthly**	**Min.**		1,382	$351,000	$0	$2,660	$0	$351,000	$157
Occ.	**115**		86	**Last Ann. Start**	**Max.**		2,583	$445,900	$0	$4,905	$600	$445,900	$266
Remaining	**142**		6.2	**Avg. Monthly**	**Average**		1,907	$399,677	$0	$4,018	$284	$399,677	$214
			74	**Last Ann. Close**	**Median**		1,936	$401,750	$0	$4,270	$480	$401,750	$213

Exhibit 62 ***: CMA Base Price Position Graph – SFD on < 50' Wide Lots***

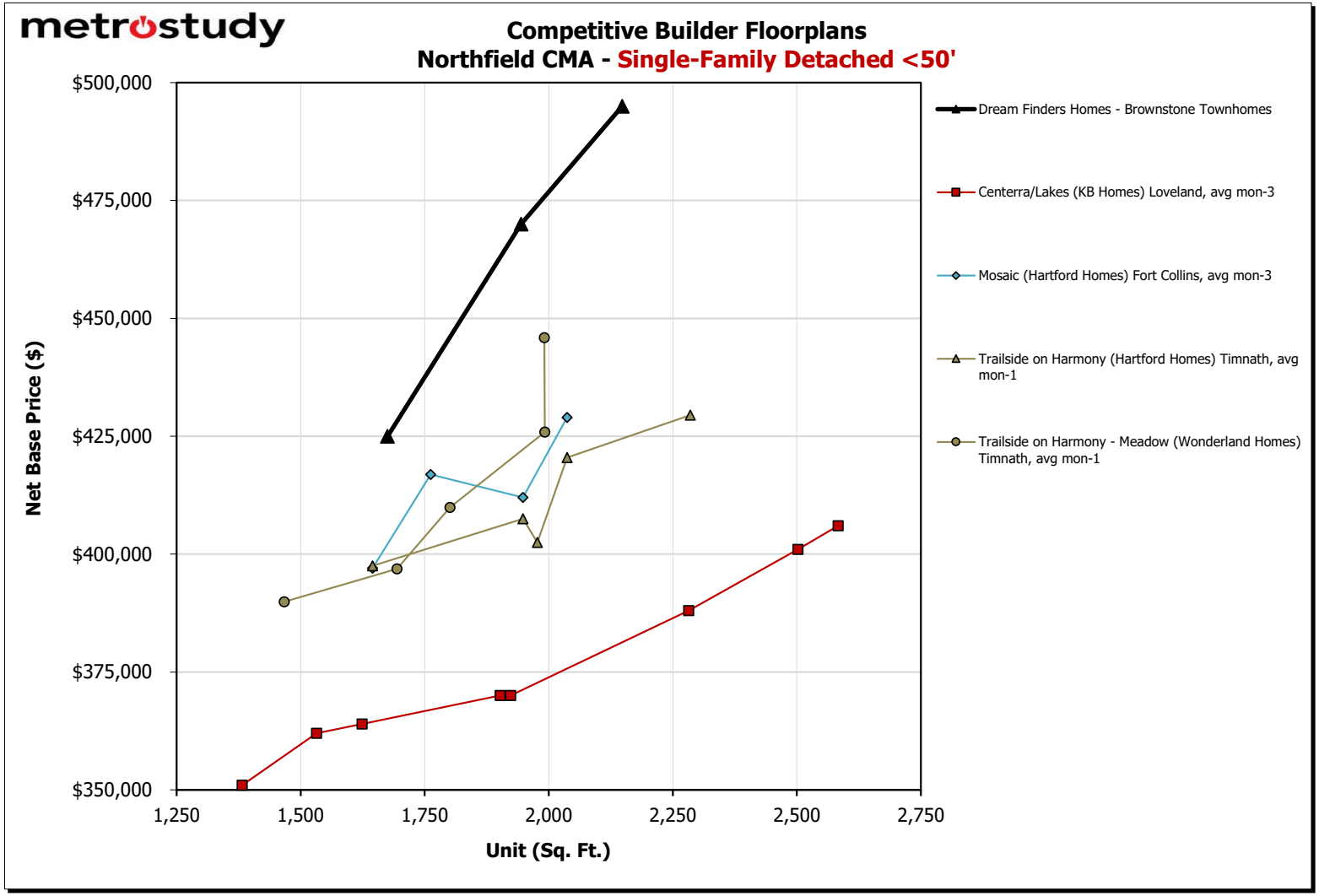


Exhibit 63 ***: CMA New Home Closing Price Position Graph – SFD on < 5,500 Sq. Ft. Lots***

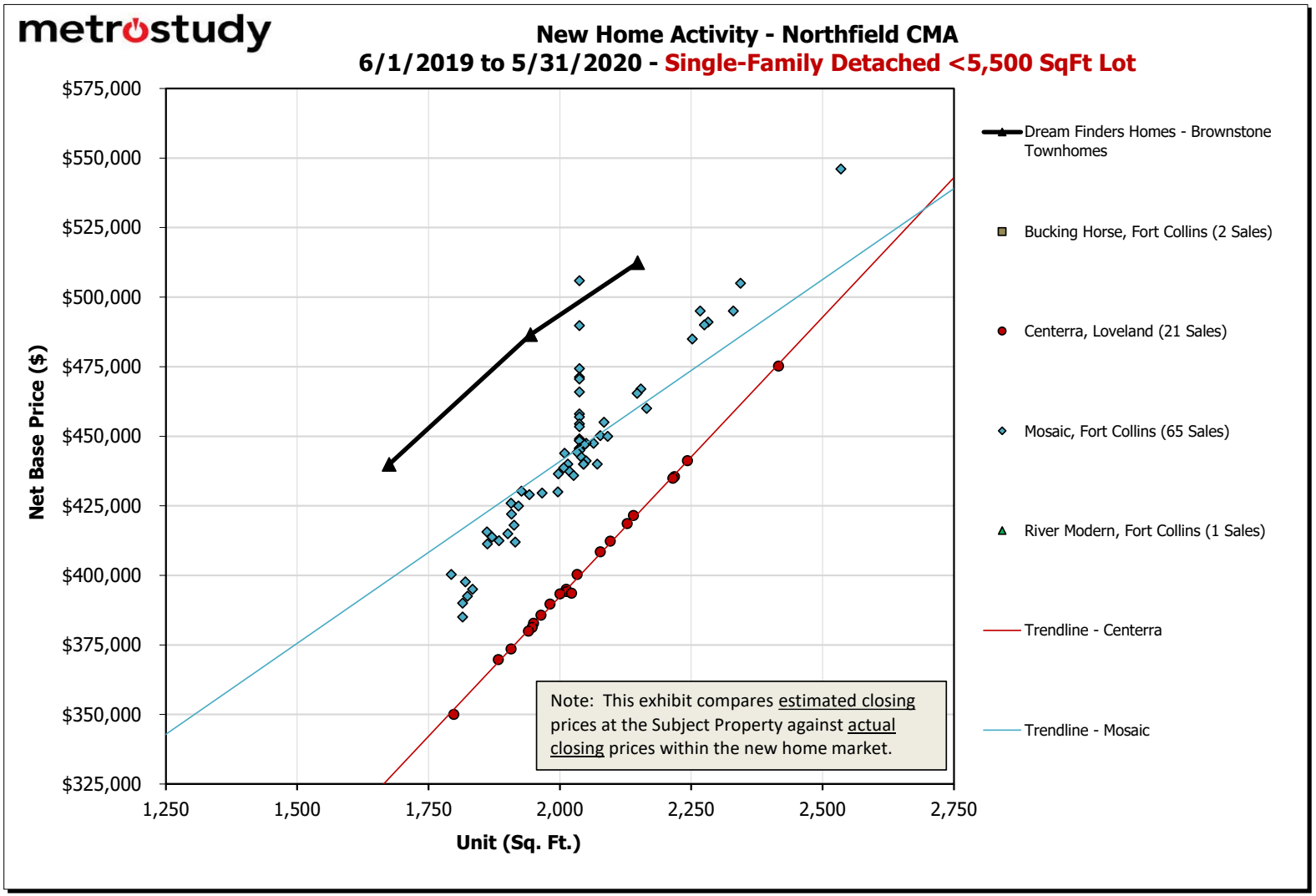
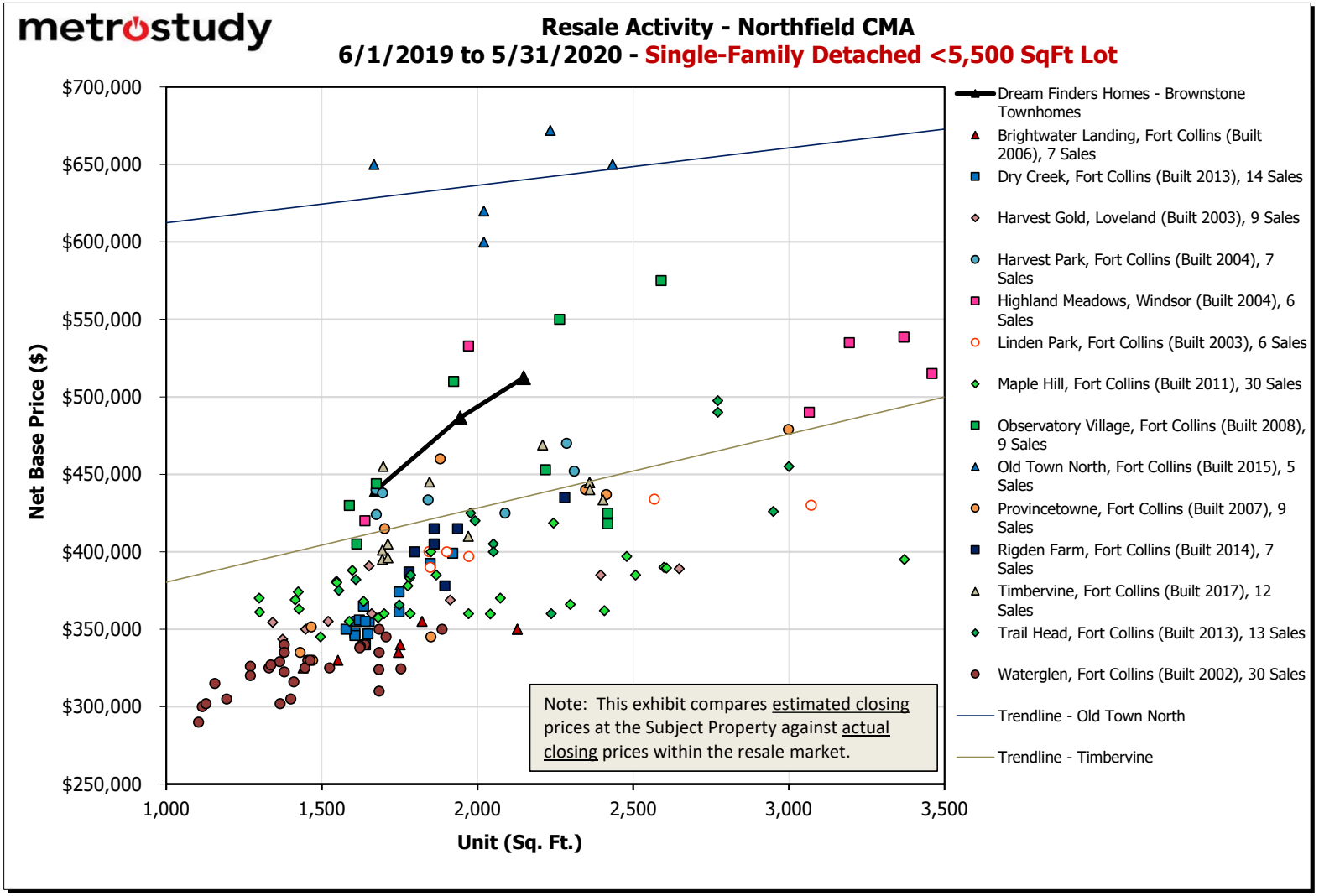


Exhibit 64 ***: CMA Resale Home Closing Price Position Graph – SFD on 5,500 Sq. Ft. Lots***



For-Rent Housing Market Trends

Exhibit 65 ***: Larimer County Market Average Monthly Rental Rate & Vacancy Rate Trends***

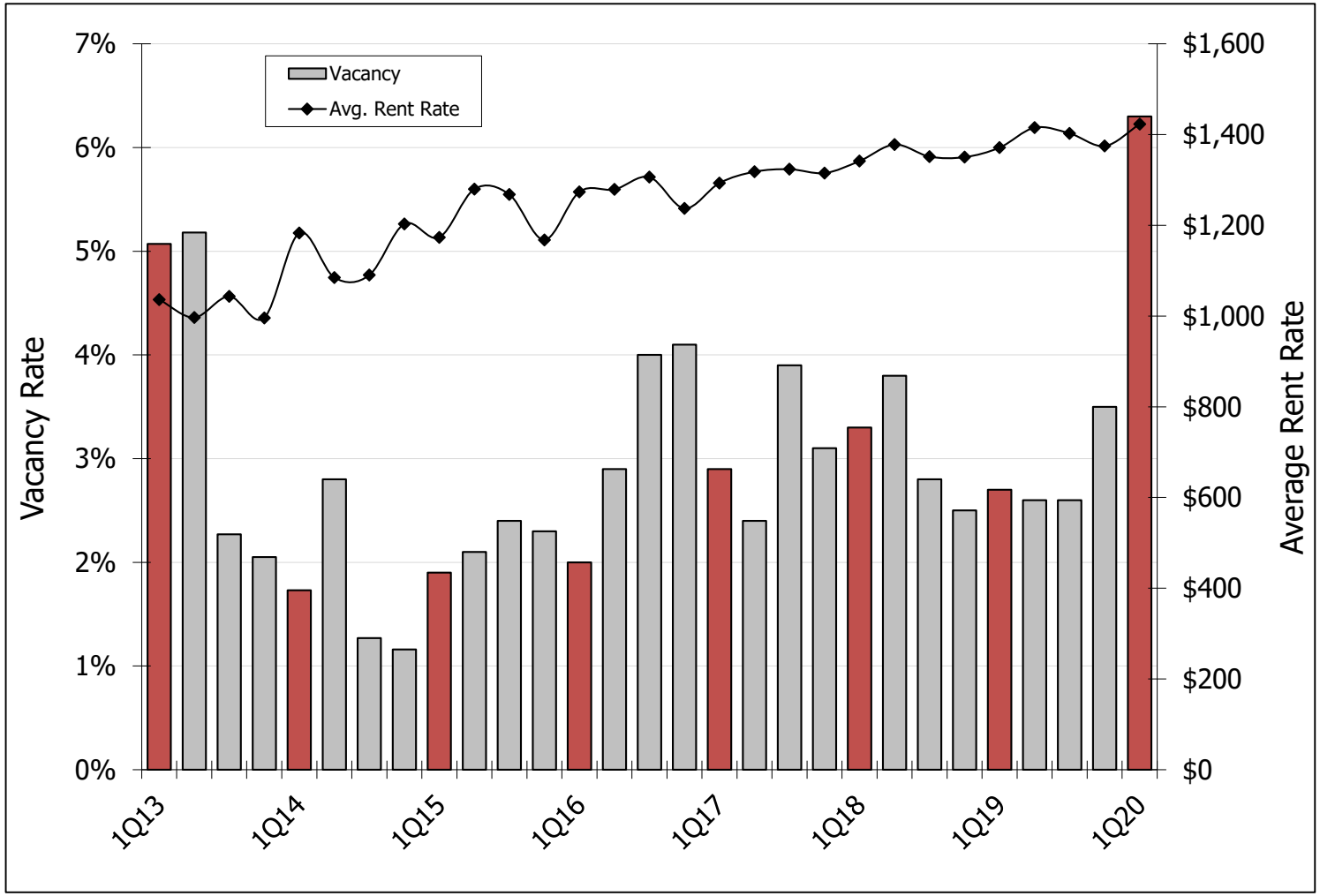
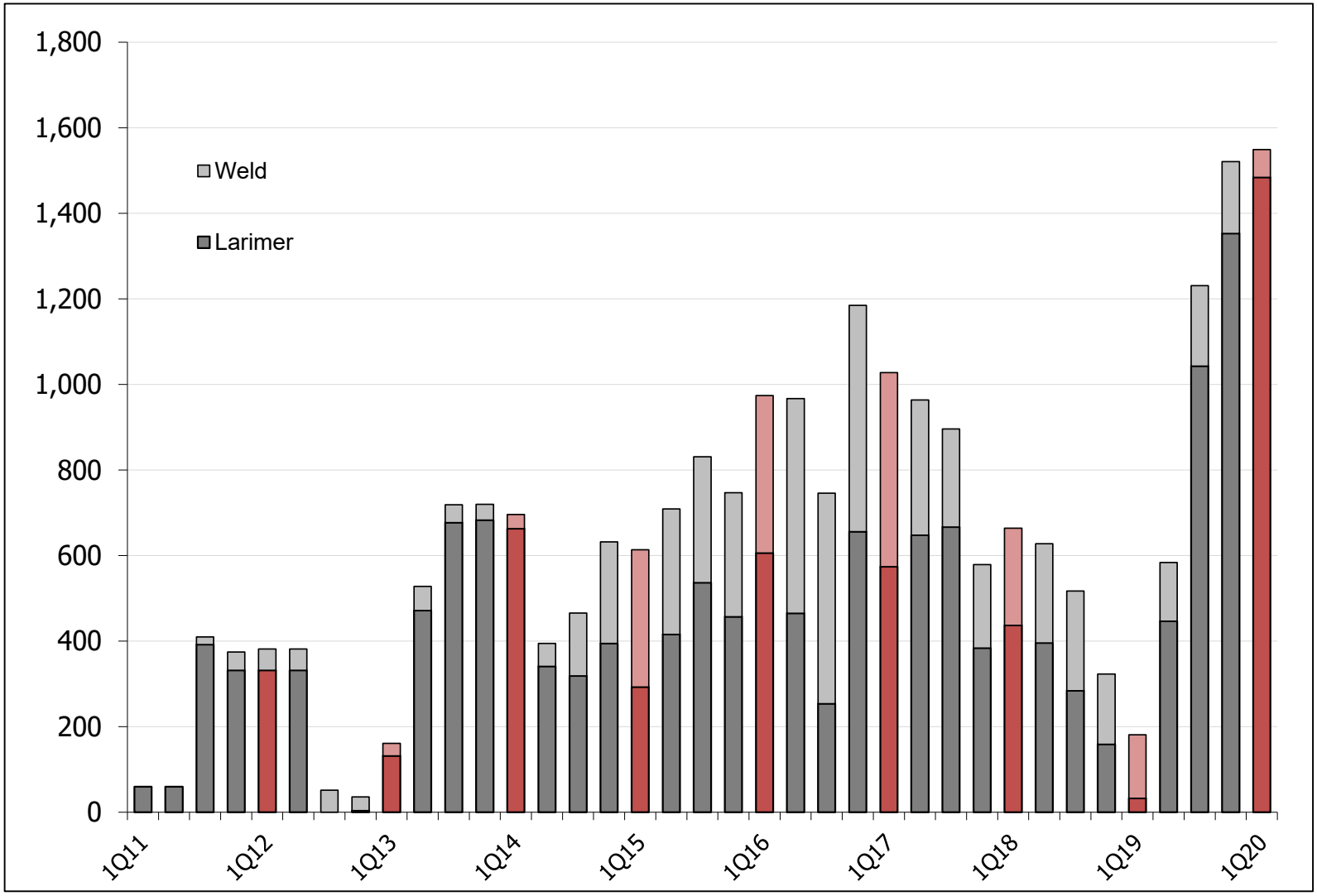


Exhibit 66 ***: Northern Colorado Market - Rental Additions***



Source: Apartment Association of Metro Denver

Retail Gap Analysis

Exhibit 67 : ***RMP Opportunity Gap Analysis – Retail Stores: CMA***

RMP Opportunity Gap - Retail Stores
Northfield Retail CMA

Retail Stores	2020 Estimated Retail Sales	2020 Resident Expenditures	2025 Resident Expenditures	CMA Opportunity Gap or (Surplus) 2020	CMA Opportunity Gap or (Surplus) 2025	2020 Add'l Space Viable?	2020 How Much(1)?	2025 Add'l Space Viable?	2025 How Much(1)?
Totals									
Total retail trade including food and drink	$5,610,807,930	$6,687,699,717	$7,176,982,623	$1,076,891,787	$1,566,174,693				
Total retail trade	$4,840,017,734	$5,796,056,758	$6,220,105,626	$956,039,024	$1,380,087,892				
Motor Vehicle and Parts Dealers									
Motor vehicle and parts dealers	1,424,924,133	1,328,426,158	$1,425,615,960	($96,497,975)	$691,827	NO	-	YES	889sf
Automobile dealers	1,092,368,388	1,129,095,780	$1,211,702,250	$36,727,392	$119,333,862	YES	47,207sf	YES	153,385sf
New car dealers	1,049,769,787	1,008,157,756	$1,081,916,205	($41,612,031)	$32,146,418	NO	-	YES	41,319sf
Used car dealers	42,598,601	120,938,024	$129,786,045	$78,339,423	$87,187,444	YES	100,693sf	YES	112,066sf
Other motor vehicle dealers	233,775,416	106,027,149	$113,784,266	($127,748,267)	($119,991,150)	NO	-	NO	-
Recreational vehicle dealers	59,864,569	33,836,049	$36,311,549	($26,028,520)	($23,553,020)	NO	-	NO	-
Motorcycle, boat, and other motor vehicle dealers	173,910,847	72,191,101	$77,472,718	($101,719,746)	($96,438,129)	NO	-	NO	-
Boat dealers	11,531,334	25,306,202	$27,157,645	$13,774,868	$15,626,311	YES	17,705sf	YES	20,085sf
Motorcycle, ATV, and all other motor vehicle dealers	162,379,513	46,884,898	$50,315,073	($115,494,615)	($112,064,440)	NO	-	NO	-
Automotive parts, accessories, and tire stores	98,780,330	93,303,229	$100,129,444	($5,477,101)	$1,349,114	NO	-	YES	1,734sf
Automotive parts and accessories stores	58,680,898	55,161,378	$59,197,073	($3,519,520)	$516,175	NO	-	YES	663sf
Tire dealers	40,099,432	38,141,851	$40,932,370	($1,957,581)	$832,938	NO	-	YES	1,071sf
Furniture and Home Furnishings Stores									
Furniture and home furnishings stores	159,289,176	127,985,776	$137,349,422	($31,303,400)	($21,939,754)	NO	-	NO	-
Furniture stores	82,874,950	68,569,813	$73,586,491	($14,305,137)	($9,288,459)	NO	-	NO	-
Home furnishings stores	76,414,226	59,415,963	$63,762,931	($16,998,263)	($12,651,295)	NO	-	NO	-
Floor covering stores	28,545,251	22,055,140	$23,668,730	($6,490,111)	($4,876,521)	NO	-	NO	-
Other home furnishings stores	47,868,974	37,360,823	$40,094,201	($10,508,151)	($7,774,773)	NO	-	NO	-
Window treatment stores	2,391,122	4,022,465	$4,316,755	$1,631,343	$1,925,633	YES	607sf	YES	716sf
All other home furnishings stores	45,477,852	33,338,358	$35,777,446	($12,139,494)	($9,700,406)	NO	-	NO	-
Electronics and Appliance Stores									
Electronics and appliance stores	67,162,485	104,419,872	$112,059,398	$37,257,387	$44,896,913	YES	17,558sf	YES	21,158sf
Household appliance stores	4,259,118	15,132,308	$16,239,412	$10,873,190	$11,980,294	YES	5,124sf	YES	5,646sf
Electronics stores	62,903,366	89,287,564	$95,819,986	$26,384,198	$32,916,620	YES	12,434sf	YES	15,512sf
Building Material and Garden Equipment and Supplies Dealers									
Building material and garden equipment and supplies dealers	494,103,016	429,710,295	$461,148,594	($64,392,721)	($32,954,422)	NO	-	NO	-
Building material and supplies dealers	455,523,769	379,271,676	$407,019,804	($76,252,093)	($48,503,965)	NO	-	NO	-
Home centers	283,830,825	210,893,632	$226,322,951	($72,937,193)	($57,507,874)	NO	-	NO	-
Paint and wallpaper stores	5,447,553	14,035,363	$15,062,213	$8,587,810	$9,614,660	YES	8,094sf	YES	9,062sf
Hardware stores	23,836,689	31,345,887	$33,639,203	$7,509,198	$9,802,514	YES	7,077sf	YES	9,239sf
Other building material dealers	142,408,703	122,996,795	$131,995,439	($19,411,908)	($10,413,264)	NO	-	NO	-
Lawn and garden equipment and supplies stores	38,579,246	50,438,619	$54,128,790	$11,859,373	$15,549,544	YES	11,178sf	YES	14,656sf
Outdoor power equipment stores	1,546,085	7,529,117	$8,079,959	$5,983,032	$6,533,874	YES	5,639sf	YES	6,158sf
Nursery, garden center, and farm supply stores	37,033,161	42,909,502	$46,048,830	$5,876,341	$9,015,669	YES	5,538sf	YES	8,497sf

RMP Opportunity Gap - Retail Stores
Northfield Retail CMA

Retail Stores	2020 Estimated Retail Sales	2020 Resident Expenditures	2025 Resident Expenditures	CMA Opportunity Gap or (Surplus) 2020	CMA Opportunity Gap or (Surplus) 2025	2020 Add'l Space Viable?	2020 How Much(1)?	2025 Add'l Space Viable?	2025 How Much(1)?
Food and Beverage Stores									
Food and beverage stores	848,242,021	803,452,021	$862,233,868	($44,790,000)	$13,991,847	NO	-	YES	5,274sf
Grocery stores	699,379,565	704,426,098	$755,963,048	$5,046,533	$56,583,483	YES	1,902sf	YES	21,328sf
Supermarkets and other grocery	693,998,044	677,061,560	$726,596,477	($16,936,484)	$32,598,433	NO	-	YES	12,287sf
Convenience stores	5,381,521	27,364,538	$29,366,572	$21,983,017	$23,985,051	YES	8,286sf	YES	9,041sf
Specialty food stores	17,694,273	24,938,578	$26,763,125	$7,244,305	$9,068,852	YES	2,731sf	YES	3,418sf
Meat markets	3,766,786	8,227,798	$8,829,757	$4,461,012	$5,062,971	YES	1,681sf	YES	1,908sf
Fish and seafood markets	2,607,345	2,993,630	$3,212,649	$386,285	$605,304	YES	146sf	YES	228sf
Fruit and vegetable markets	2,846,281	5,088,584	$5,460,873	$2,242,303	$2,614,592	YES	845sf	YES	986sf
Other specialty food stores	8,473,861	8,628,566	$9,259,846	$154,705	$785,985	YES	58sf	YES	296sf
Baked goods stores and confectionery and nut stores	4,036,959	4,695,231	$5,038,742	$658,272	$1,001,783	YES	769sf	YES	1,170sf
All other specialty food stores	4,436,901	3,933,335	$4,221,104	($503,566)	($215,797)	NO	-	NO	-
Beer, wine, and liquor stores	131,168,183	74,087,344	$79,507,694	($57,080,839)	($51,660,489)	NO	-	NO	-
Health and Personal Care Stores									
Health and personal care stores	208,707,146	363,147,172	$389,715,605	$154,440,026	$181,008,459	YES	45,964sf	YES	53,872sf
Pharmacies and drug stores	145,467,061	299,414,734	$321,320,399	$153,947,673	$175,853,338	YES	45,818sf	YES	52,337sf
Cosmetics, beauty supplies, and perfume stores	22,669,626	22,945,376	$24,624,097	$275,750	$1,954,471	YES	82sf	YES	582sf
Optical goods stores	17,649,928	15,196,867	$16,308,694	($2,453,061)	($1,341,234)	NO	-	NO	-
Other health and personal care stores	22,920,530	25,590,195	$27,462,415	$2,669,665	$4,541,885	YES	795sf	YES	1,352sf
Food	5,806,709	9,127,673	$9,795,468	$3,320,964	$3,988,759	YES	988sf	YES	1,187sf
All other health and personal care stores	17,113,822	16,462,522	$17,666,947	($651,300)	$553,125	NO	-	YES	523sf
Gasoline Stations									
Gasoline stations	260,776,623	511,187,642	$548,586,955	$250,411,019	$287,810,332	YES	74,527sf	YES	85,658sf
Clothing and Clothing Accessories Stores									
Clothing and clothing accessories stores	214,834,240	306,442,121	$328,861,921	$91,607,881	$114,027,681	YES	64,741sf	YES	80,585sf
Clothing stores	162,412,911	222,190,597	$238,446,420	$59,777,686	$76,033,509	YES	42,246sf	YES	53,734sf
Men's clothing stores	6,056,747	11,141,674	$11,956,817	$5,084,927	$5,900,070	YES	3,594sf	YES	4,170sf
Women's clothing stores	31,810,715	47,686,859	$51,175,707	$15,876,144	$19,364,992	YES	11,220sf	YES	13,686sf
Children's and infants' clothing stores	4,106,470	9,128,137	$9,795,966	$5,021,667	$5,689,496	YES	3,549sf	YES	4,021sf
Family clothing stores	98,252,783	127,957,135	$137,318,686	$29,704,352	$39,065,903	YES	20,992sf	YES	27,608sf
Clothing accessories stores	7,823,208	9,445,751	$10,136,817	$1,622,543	$2,313,609	YES	1,147sf	YES	1,635sf
Other clothing stores	14,362,988	16,831,041	$18,062,427	$2,468,053	$3,699,439	YES	1,744sf	YES	2,614sf
Shoe stores	30,661,248	45,447,124	$48,772,109	$14,785,876	$18,110,861	YES	10,449sf	YES	12,799sf
Jewelry, luggage, and leather goods stores	21,760,081	38,804,400	$41,643,393	$17,044,319	$19,883,312	YES	12,045sf	YES	14,052sf
Jewelry stores	20,785,847	34,046,604	$36,537,509	$13,260,757	$15,751,662	YES	9,372sf	YES	11,132sf
Luggage and leather goods stores	974,234	4,757,795	$5,105,883	$3,783,561	$4,131,649	YES	2,674sf	YES	2,920sf
Sporting Goods, Hobby, Musical Instrument, and Book Stores									
Sporting goods, hobby, musical instrument, and book stores	137,268,847	86,383,682	$92,703,652	($50,885,165)	($44,565,195)	NO	-	NO	-
Sporting goods, hobby, and musical instrument stores	128,219,633	74,030,946	$79,447,169	($54,188,687)	($48,772,464)	NO	-	NO	-
Sporting goods stores	100,141,909	50,213,632	$53,887,342	($49,928,277)	($46,254,567)	NO	-	NO	-
Hobby, toy, and game stores	14,595,019	14,429,249	$15,484,916	($165,770)	$889,897	NO	-	YES	1,048sf
Sewing, needlework, and piece goods stores	7,933,741	5,023,088	$5,390,585	($2,910,653)	($2,543,156)	NO	-	NO	-
Musical instrument and supplies stores	5,548,964	4,364,977	$4,684,326	($1,183,987)	($864,638)	NO	-	NO	-
Book stores and news dealers	9,049,214	12,352,736	$13,256,482	$3,303,522	$4,207,268	YES	3,891sf	YES	4,956sf
Book stores	9,049,214	11,254,944	$12,078,374	$2,205,730	$3,029,160	YES	2,598sf	YES	3,568sf
News dealers and newsstands	0	1,097,792	$1,178,108	$1,097,792	$1,178,108	YES	1,293sf	YES	1,388sf

RMP Opportunity Gap - Retail Stores
Northfield Retail CMA

Retail Stores	2020 Estimated Retail Sales	2020 Resident Expenditures	2025 Resident Expenditures	CMA Opportunity Gap or (Surplus) 2020	CMA Opportunity Gap or (Surplus) 2025	2020 Add'l Space Viable?	2020 How Much[1]?	2025 Add'l Space Viable?	2025 How Much[1]?
General Merchandise Stores									
General merchandise stores	758,821,740	755,234,894	$810,489,098	($3,586,846)	$51,667,358	NO	-	YES	48,697sf
Department stores	120,021,322	153,197,166	$164,405,318	$33,175,844	$44,383,996	YES	31,268sf	YES	41,832sf
Other general merchandise stores	638,800,418	602,037,728	$646,083,780	($36,762,690)	$7,283,362	NO	-	YES	6,865sf
Warehouse clubs and supercenters	596,720,661	507,954,124	$545,116,868	($88,766,537)	($51,603,793)	NO	-	NO	-
All other general merchandise stores	42,079,756	94,083,604	$100,966,912	$52,003,848	$58,887,156	YES	49,014sf	YES	55,502sf
Miscellaneous Store Retailers									
Miscellaneous store retailers	134,365,551	131,387,291	$140,999,797	($2,978,260)	$6,634,246	NO	-	YES	6,466sf
Florists	5,360,537	7,635,523	$8,194,150	$2,274,986	$2,833,613	YES	2,217sf	YES	2,762sf
Office supplies, stationery, and gift stores	24,107,380	31,079,990	$33,353,852	$6,972,610	$9,246,472	YES	6,796sf	YES	9,012sf
Office supplies and stationery stores	7,372,964	12,982,160	$13,931,956	$5,609,196	$6,558,992	YES	5,467sf	YES	6,393sf
Gift, novelty, and souvenir stores	16,734,416	18,097,830	$19,421,896	$1,363,414	$2,687,480	YES	1,329sf	YES	2,619sf
Used merchandise stores	24,470,064	20,132,322	$21,605,235	($4,337,742)	($2,864,829)	NO	-	NO	-
Other miscellaneous store retailers	80,427,570	72,539,457	$77,846,561	($7,888,113)	($2,581,009)	NO	-	NO	-
Pet and pet supplies stores	39,793,446	21,350,049	$22,912,053	($18,443,397)	($16,881,393)	NO	-	NO	-
Art dealers	3,445,305	10,715,266	$11,499,212	$7,269,961	$8,053,907	YES	7,086sf	YES	7,850sf
Manufactured	1,538,098	7,188,433	$7,714,350	$5,650,335	$6,176,252	YES	5,507sf	YES	6,020sf
All other miscellaneous store retailers	35,650,721	33,285,709	$35,720,945	($2,365,012)	$70,224	NO	-	YES	68sf
Tobacco stores	17,006,254	8,922,092	$9,574,847	($8,084,162)	($7,431,407)	NO	-	NO	-
All other miscellaneous store retailers	18,644,467	24,363,617	$26,146,099	$5,719,150	$7,501,632	YES	5,574sf	YES	7,312sf
Non-store Retailers									
Non-store retailers	131,522,756	848,279,834	$910,341,356	$716,757,078	$778,818,600	YES	2,024,738sf	YES	2,200,053sf
Electronic shopping and mail-order houses	91,025,375	773,627,926	$830,227,794	$682,602,551	$739,202,419	YES	1,928,256sf	YES	2,088,142sf
Vending machine operators	8,506,639	11,214,257	$12,034,710	$2,707,618	$3,528,071	YES	7,649sf	YES	9,966sf
Direct selling establishments	31,990,742	63,437,650	$68,078,851	$31,446,908	$36,088,109	YES	88,833sf	YES	101,944sf
Fuel dealers	3,622,459	22,977,619	$24,658,699	$19,355,160	$21,036,240	YES	54,676sf	YES	59,424sf
Other direct selling establishments	28,368,283	40,460,031	$43,420,152	$12,091,748	$15,051,869	YES	34,157sf	YES	42,519sf
Food Services and Drinking Places									
Food services and drinking places	770,790,196	891,642,959	$956,876,997	$120,852,763	$186,086,801	YES	68,356sf	YES	105,253sf
Special food services	13,411,341	72,646,144	$77,961,053	$59,234,803	$64,549,712	YES	33,504sf	YES	36,510sf
Food service contractors	8,806,796	59,567,497	$63,925,551	$50,760,701	$55,118,755	YES	28,711sf	YES	31,176sf
Caterers	4,571,578	12,030,035	$12,910,172	$7,458,457	$8,338,594	YES	4,219sf	YES	4,716sf
Mobile food services	32,967	1,048,613	$1,125,331	$1,015,646	$1,092,364	YES	574sf	YES	618sf
Drinking places	24,854,859	40,128,332	$43,064,186	$15,273,473	$18,209,327	YES	8,639sf	YES	10,299sf
Restaurants and other eating places	732,523,997	778,868,483	$835,851,758	$46,344,486	$103,327,761	YES	26,213sf	YES	58,443sf
Full-service restaurants	357,350,982	380,553,656	$408,395,576	$23,202,674	$51,044,594	YES	13,124sf	YES	28,871sf
Limited-service restaurants	306,036,916	331,188,395	$355,418,673	$25,151,479	$49,381,757	YES	14,226sf	YES	27,931sf
Cafeterias, grill buffets, and buffets	9,456,404	12,010,068	$12,888,744	$2,553,664	$3,432,340	YES	1,444sf	YES	1,941sf
Snack and non-alcoholic beverage bars	59,679,695	55,116,363	$59,148,765	($4,563,332)	($530,930)	NO	-	NO	-
Ice cream, soft serve & fzn ygrt	11,763,415	8,414,998	$9,030,653	($3,348,417)	($2,732,762)	NO	-	NO	-
Doughnut shops	15,706,159	8,662,097	$9,295,830	($7,044,062)	($6,410,329)	NO	-	NO	-
Bagel shops	5,085,163	2,509,647	$2,693,257	($2,575,516)	($2,391,906)	NO	-	NO	-
Coffee shops	16,593,704	23,546,814	$25,269,537	$6,953,110	$8,675,833	YES	3,933sf	YES	4,907sf
Cookie shops	275,716	382,782	$410,787	$107,066	$135,071	YES	61sf	YES	76sf
Other snack and non-alcoholic beverage bars	10,255,539	11,600,024	$12,448,700	$1,344,485	$2,193,161	YES	760sf	YES	1,240sf

Source: Environics Analytics; Metrostudy/Meyers

Disclaimer:

It is understood by Northfield Metropolitan District ("Client") that Metrostudy can make no guarantees about the recommendations in this study, primarily because these recommendations must be based and in some cases inferred from facts discovered by Metrostudy during the course of the study. To protect the Client and to assure that Metrostudy's research results will continue to be accepted as objective and impartial by the business community, it is understood that Metrostudy's fee for this study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this report.

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions and other information developed by Metrostudy from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this study. This report is based on land development and sales and construction activity information that was current as of the end of First Quarter 2020. Competitive pricing information was updated as of July 2020. This information includes reported units released, pricing, incentives, and market entry dates for future planned communities. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, Metrostudy makes no warranty or representation that any of the projected values or results in this study will actually be achieved.

This market analysis was prepared by Metrostudy, a consulting firm and the nation's leading provider of primary and secondary market information to the housing, retail, and related industries nationwide.

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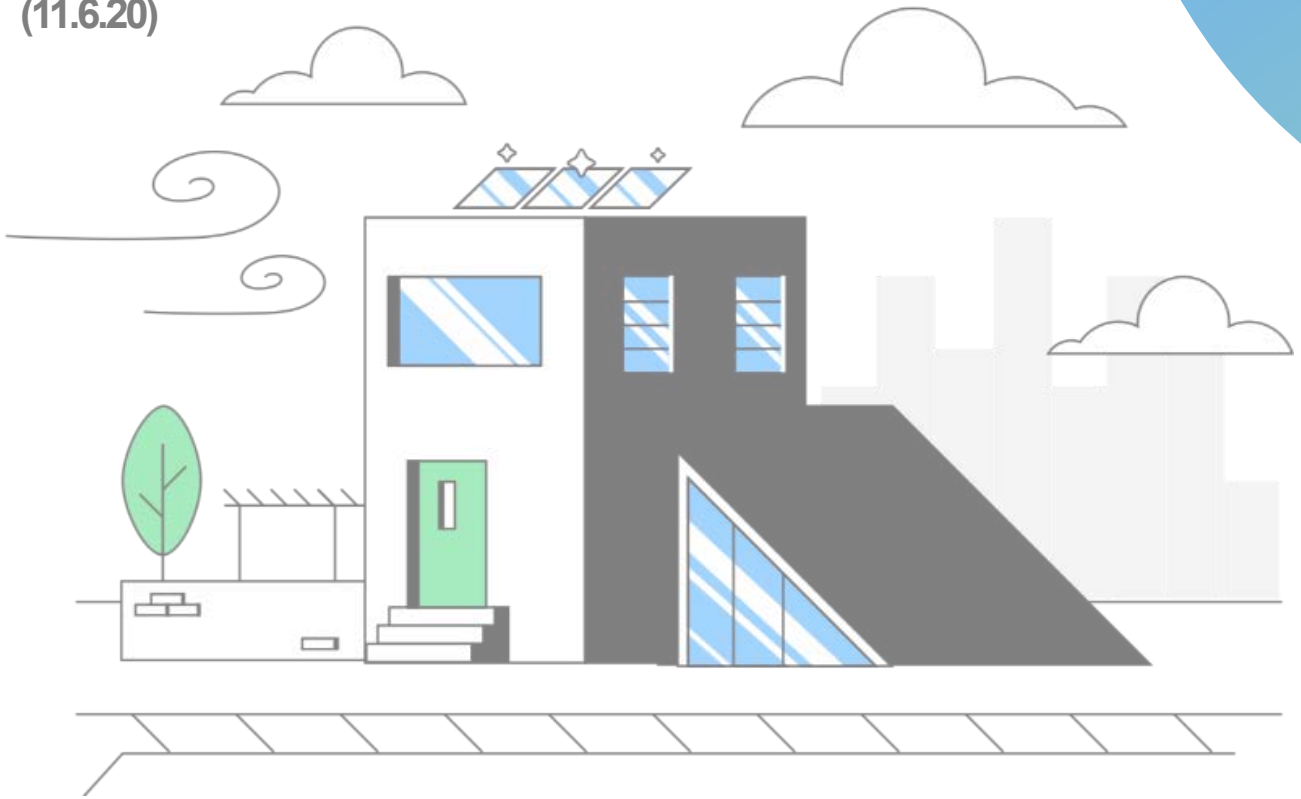
Zonda Advisory

Formerly Meyers Research & Metrostudy

COVID-19's On-going Impact on Colorado Front Range Housing

(11.6.20)



Colorado Front Range Market Watch - COVID-19 Impact

Metro Denver

- **COVID-19 Daily Cases continue to climb.** State-ordered mandatory mask-wearing in buildings, first implemented July 16th., remains in effect. 10:00 P.M. curfew implemented by Denver County (11/6) and Adams County (11/7) for 30 days. Primary age students attendance increasingly going virtual.
- **The Unemployment Rate for September** is at 6.4%, trending downward from the 6.9% figure in August and 7.7% figure in July. It is still considerably above the 2.8% rate in February.
- **3rd Quarter new home starts down 7% and closings up 11% compared to 2019.** YTD thru 3rd quarter 2020 starts are even with 2019, while new home closings were down 1%.
- **September Resale Sales Volume** down 1.6% from August, but is 30.5% higher than September 2019 sold figure. The **number of new listings for September** is 4.9% lower than August, and 7.3% less than September 2019 figures. **September's ending inventory** was 2.8% lower than August, and 42.2% lower than September of 2019. **There was only 1.34 months of supply at the end of September**.
- **Retail Sales** were up .04%% in August in Y-O-Y comparisons to August 2019, after being up 1.4% in July Y-O-Y comparisons. Only in these two months have retail sales in 2020 exceeded 2019 levels since the pandemic started in March.
- **Passenger Traffic at Denver International Airport reported 2,901,918 travelers in September,** down 51% from the 5,958,431 travelers reported in September 2019. The September travelers were 2.8% lower than the 2,985,681 travelers in August. International passenger traffic totaled 30,739, slightly less than the 31,768 international passengers in August, and a far cry from the 241,662 reported in September 2019.

Colorado Springs

- **COVID-19 Daily Cases rising – enforcing stricter public health orders.** State-ordered mandatory mask-wearing in buildings, first implemented July 16th remains in effect. Primary age students attendance divided between in-classroom and virtual.
- **The Unemployment Rate for September** is at 5.9%, trending downward from the 6.2% figure in August and the 6.2% figure in July. It is still considerably above the 3.4% rate in February.
- **3rd Quarter new home starts up 16% and closings up 3.8% compared to 2019.** YTD thru 3rd quarter 2020 starts up 38%, while new home closings were up 13%.
- **September Resale Sales Volume was up ever so slightly compared to August (1,814 vs 1,803 sales), but up 26.1%** above the level reported in September 2019. The **number of new listings** for September was 4.3% lower than August but 16.1% higher than September 2019's figures. **September's ending inventory** was 7.3% lower than August 2020 but a significant 48.4% lower than September of 2019. **There was only 0.70 months of supply at the end of August**.
- **Retail Sales** were up 10.1% in August in Y-O-Y comparisons to August 2019, after being up 12.9% in July comparisons. With the exception of the month of April, retail sales in 2020 have exceeded retail sales in 2019.
- **Passenger Traffic at Colorado Springs Airport reported 61,994 passengers in September,** down 58.7% from the 150,020 travelers reported in September 2019.

Northern Colorado

- **COVID-19 Daily Cases rising. Larimer County enforcing stricter public health orders. S**tate-ordered mandatory mask-wearing in buildings, first implemented July 16th remains in effect. Primary age students attendance divided between in-classroom and virtual.
- **The Unemployment Rate for September** is at 5.7%, trending downward from the 6.1% figure in August and the 6.7% figure in July. It is considerably above the 2.7% rate in February.
- **3rd Quarter new home starts down 2% and closings up 11% compared to 2019.** YTD thru 3rd quarter 2020 starts up 13%, while new home closings were up 11%.
- **September Resale Sales Volume** steady with August volume (1,573 vs. 1,569), but up 26.3% from the level of September 2019. The **number of new listings for September** was 5.9% less than August, but 1.8% more than September 2019's figures. **September's ending inventory** was 9.0% lower than August 2020, but a significant 38.8% lower than September of 2019**. There was 1.48 months of supply at the end of September.**
- **Retail Sales** were down 4.1% in August in Y-O-Y comparisons to August 2019, after being down 1.4% in July comparisons. This is the 6th consecutive month retail sales were behind 2019 levels. In January and February, retail sales were running 10.5% and 14.1% ahead of each month in 2019.
- **The Colorado Rig Count** dropped from 5 to 4 rigs, down considerably from the 24 rigs operating in October 2019. **Oil prices** are at $40.03 as of October 16th as air travel remains low and a considerable amount of workers continue to work from home.

The Dow Jones Index is at 27,848 as of November 4th, 5.8% off its peak of 29,551 on February 12th.
The NASDAQ and S&P Indices are down from their all-time highs of 12,506 and 3,581 on September 2nd, now residing at 11,591 and 3,443, respectively as of November 4th.

Zonda Advisory

Report compiled 11.6.20 with most recent information available.

COVID-19 Front Range Counties – COVID-19 Markers
(as of 11.6.20)

	Est. Population	# Cases	Cases / 100,000 People	Hospitalizations	Hospitalizations / 100,000 People	# Deaths	Deaths / 100,000 People
COUNTY							
Adams	532,405	17,829	3,349	1,345	253	273	51.28
Arapahoe	653,887	16,062	2,456	1,750	268	405	61.94
Boulder	327,524	6,888	2,103	282	86	98	29.92
Broomfield	71,756	1,243	1,732	95	132	43	59.93
Denver	745,589	22,908	3,072	1,800	241	468	62.77
Douglas	358,268	5,394	1,506	317	88	67	18.70
Jefferson	585,091	11,143	1,904	834	143	346	59.14
Metro Denver Total	**3,274,520**	**81,467**	**2,488**	**6,423**	**196**	**1,700**	**51.92**
		2.49%		0.20%		0.05%	
El Paso	730,553	13,954	1,910	802	110	210	28.75
Colorado Springs Total	**730,553**	**13,954**	**1,910**	**802**	**110**	**210**	**28.75**
		1.91%		0.11%		0.03%	
Larimer	362,378	5,108	1,410	314	87	61	16.83
Weld	333,582	7,684	2,303	N/A	n/a	105	31.48
Northern Colorado Total	**695,960**	**12,792**	**1,838**	**n/a**	**n/a**	**166**	**23.85**
		1.84%		n/a		0.02%	

** reporting time frames and methodologies are different for each county, so making direct comparisons is not recommended.*

Zonda Advisory

Source: Colorado Department of Public Health & Environment

Colorado COVID-19 Levels of Openness

Also, see pages 26 through 30 of this addendum for more information on this topic.

During this pandemic, Colorado is working to make life as sustainable as possible, while ensuring we do not surpass our public health and health care capacities. Different levels of "openness," standardized at the county level, will help maintain this delicate balance.

This framework recognizes unique local circumstances using an intuitive dial to visualize a community's success in containing the spread of COVID-19. By increasing simplicity and predictability, local communities have another tool to make life amidst the pandemic more sustainable until we have a major breakthrough in testing, treatments, or a vaccine.

This dial includes five levels, from least to most restrictive. Details for each level outline specific metrics and how many people can participate in various activities at one time.

The five levels

1. **Protect Our Neighbors:** Local public health agencies are able to contain surges in cases and outbreaks through testing, case investigation, contact tracing, isolation, quarantine, site-specific closures, and enforcement of public health orders.
2. **Safer at Home 1 - Cautious:** This is less restrictive than Safer at Home Level 2, for counties with low virus transmission but that have not yet achieved Protect Our Neighbors.
3. **Safer at Home 2 - Concern:** The baseline. While we are all still safer at home, we are also able to practice greater social distancing in our great outdoors than in confined indoor spaces.
4. **Safer at Home 3 - High Risk:** This is more restrictive than Safer at Home Level 2, for counties experiencing increases in the metrics. Action is needed, but Stay at Home may not be warranted.
5. **Stay at Home:** Everyone is required to stay at home except for grocery shopping, exercise and necessary activities. Only critical businesses are open.

Metrics that define the levels

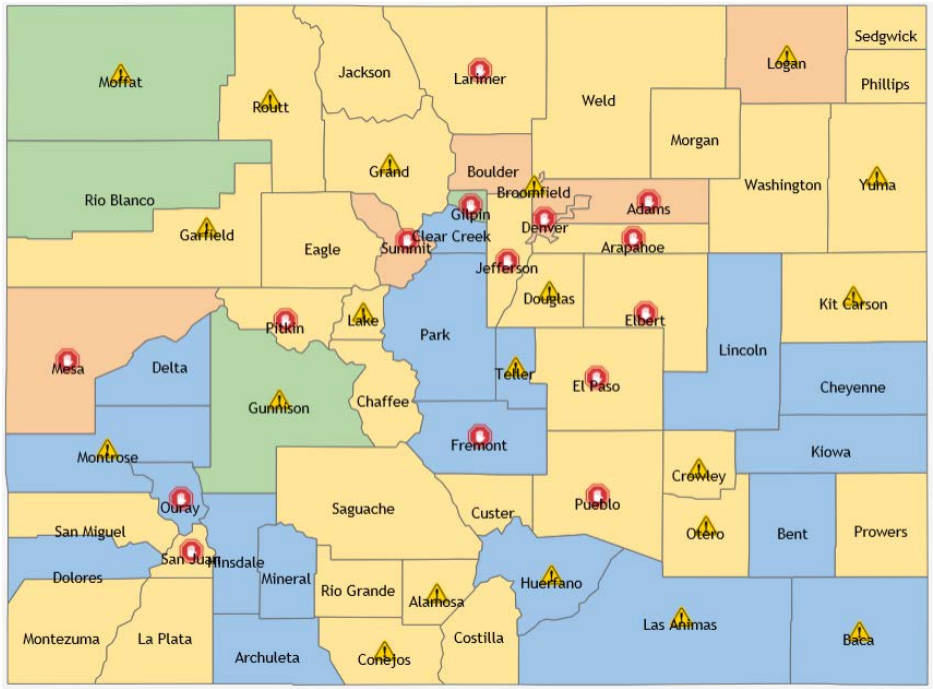
1. **New cases:** How much the virus is circulating in a county.
2. **Percent positivity**: Whether there is sufficient COVID-19 testing to capture the level of virus transmission.
3. **Impact on hospitalizations**: Whether hospitalizations are increasing, stable, or declining.

Zonda Advisory

Source: Colorado Department of Public Health & Environment

COVID-19 Level of Openness by County
(as of 11.6.20)

Level Green	Level Blue	Level Yellow	Level Orange	Level Red
Protect Our Neighbors	Safer at Home - Cautious	Safer at Home - Concern	Safer at Home - High Risk	Stay at Home



Source: Colorado Department of Public Health & Environment

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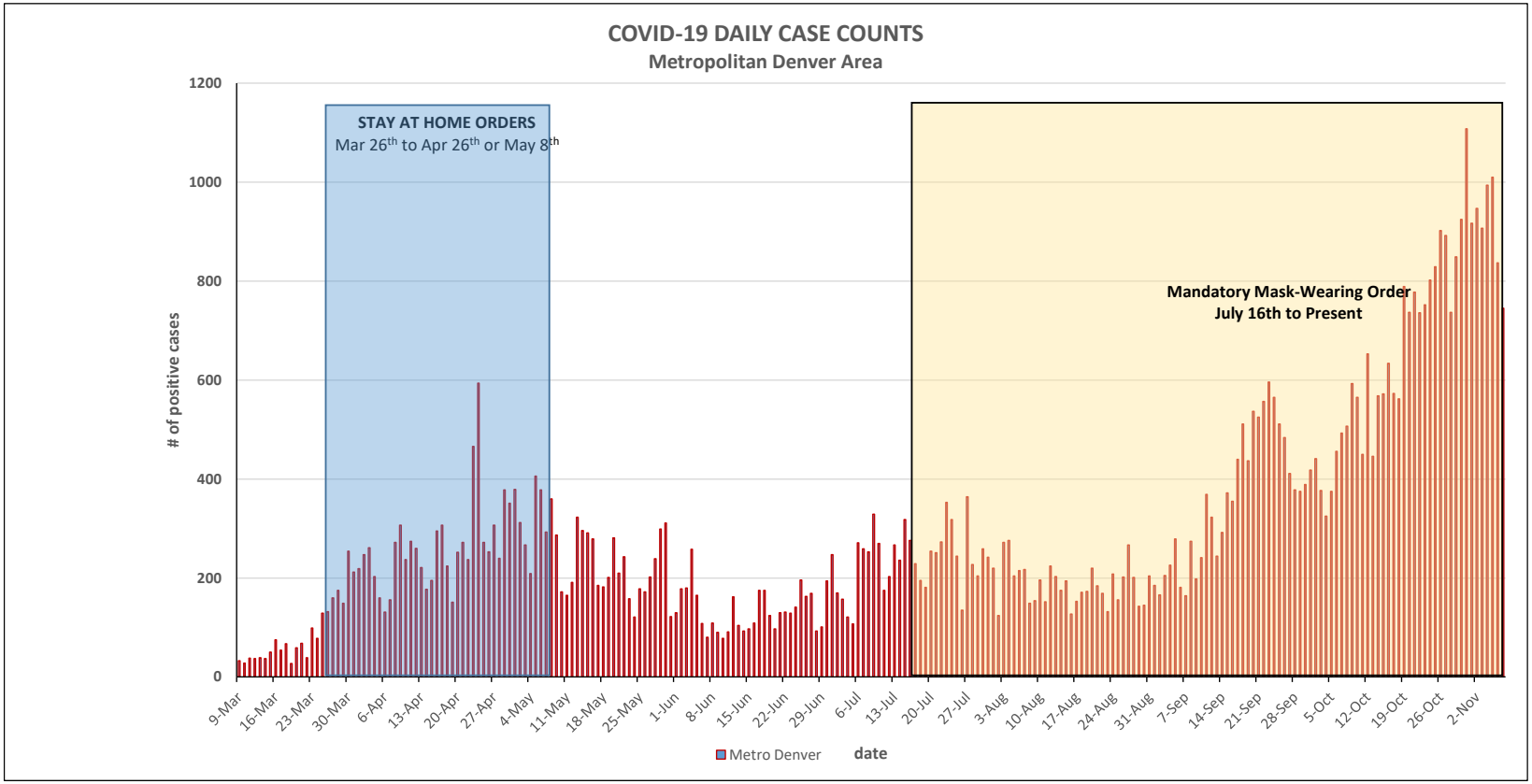
COVID-19 Metro Denver Daily Cases



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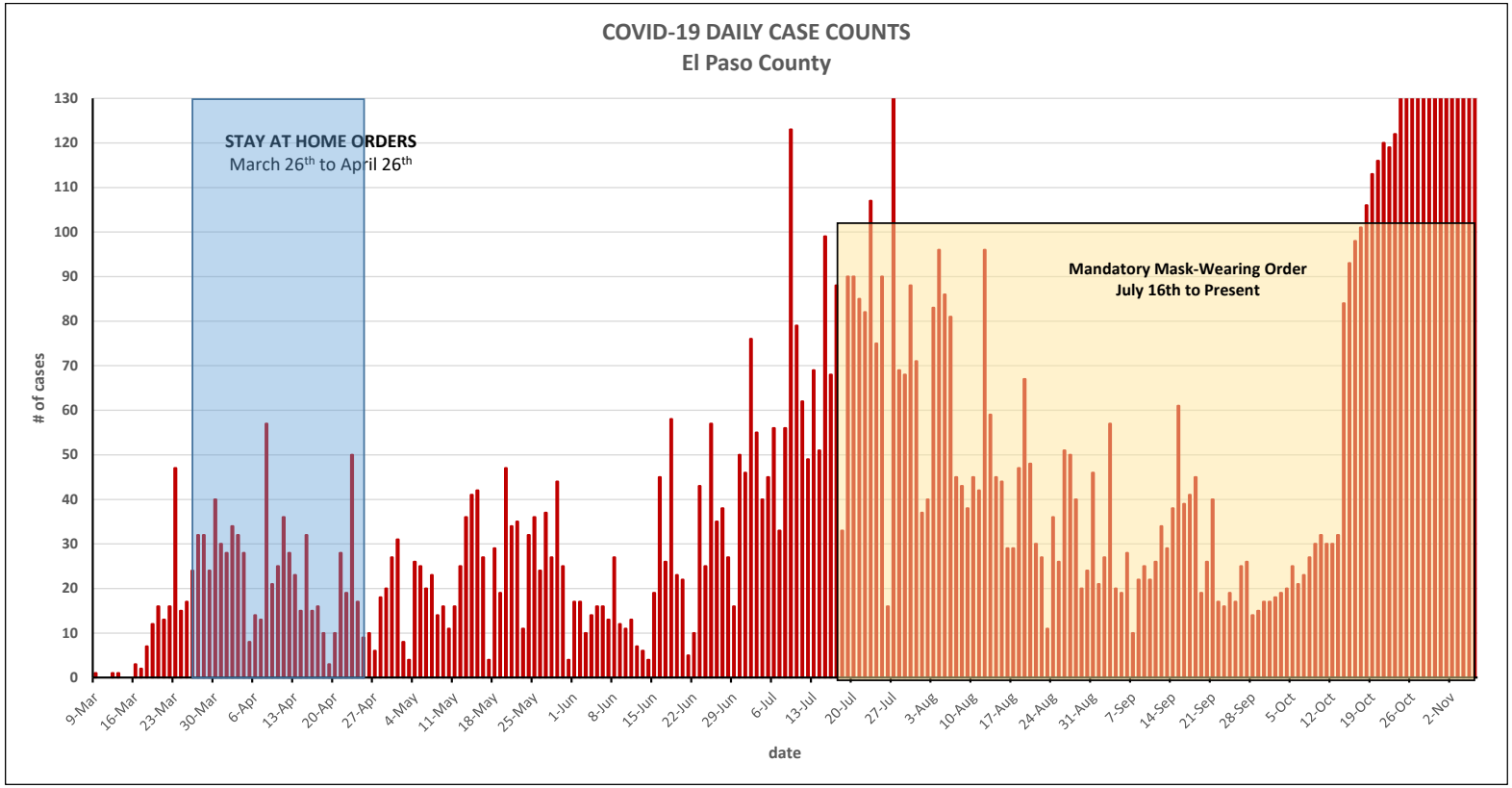
Source: Colorado Department of Public Health & Environment

COVID-19 Colorado Springs (El Paso County) Daily Cases



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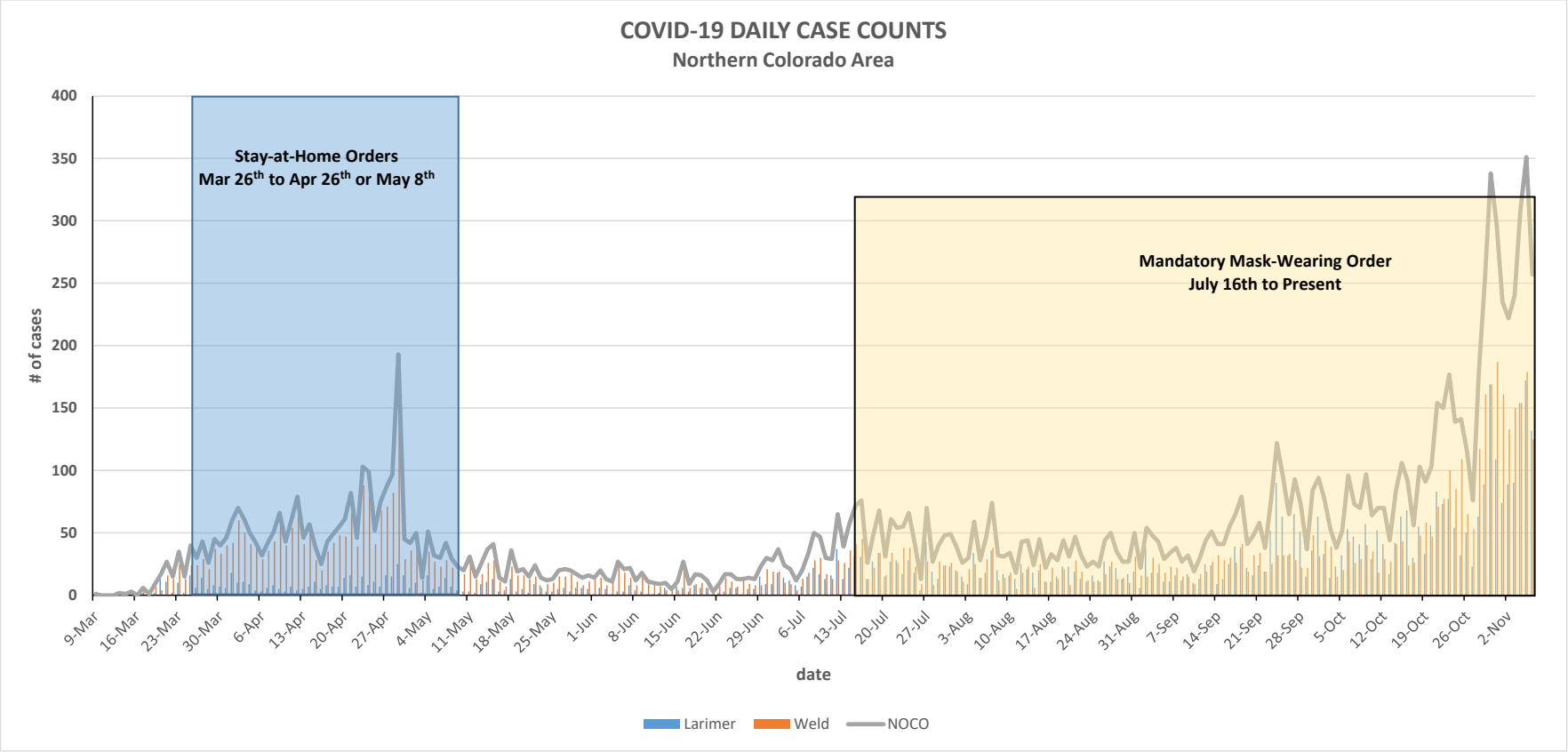
Source: Colorado Department of Public Health & Environment

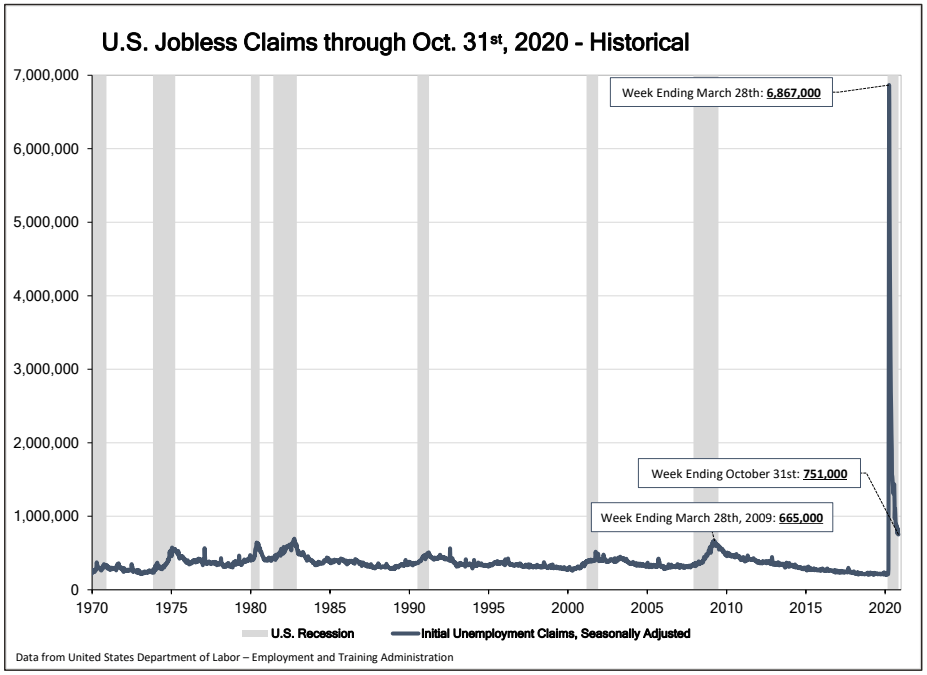
COVID-19 Northern Colorado Daily Cases

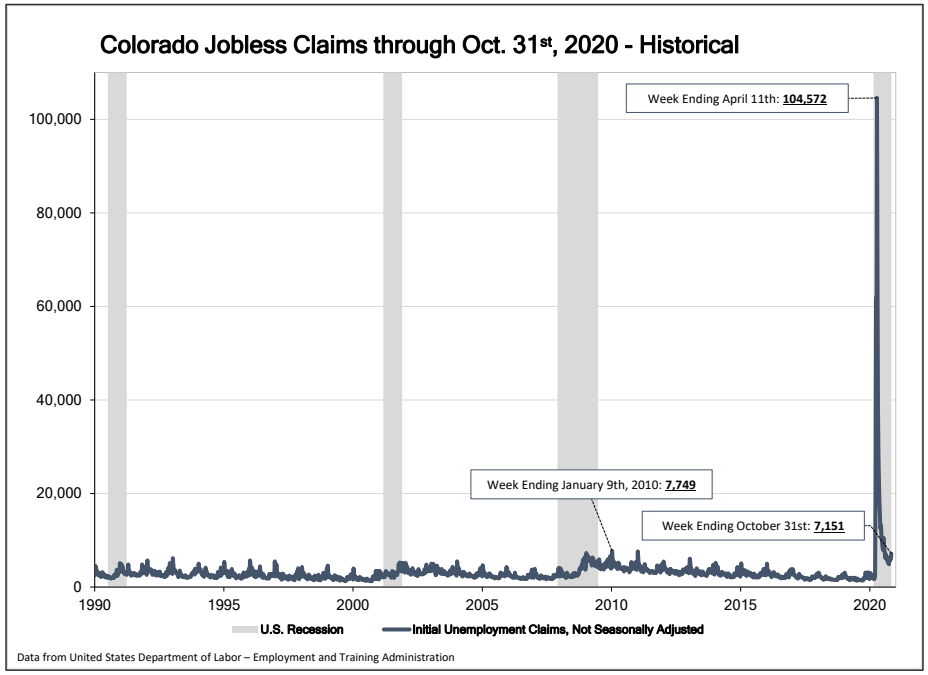


Zonda Advisory

Source: Colorado Department of Public Health & Environment

U.S. and Colorado Jobless Claims

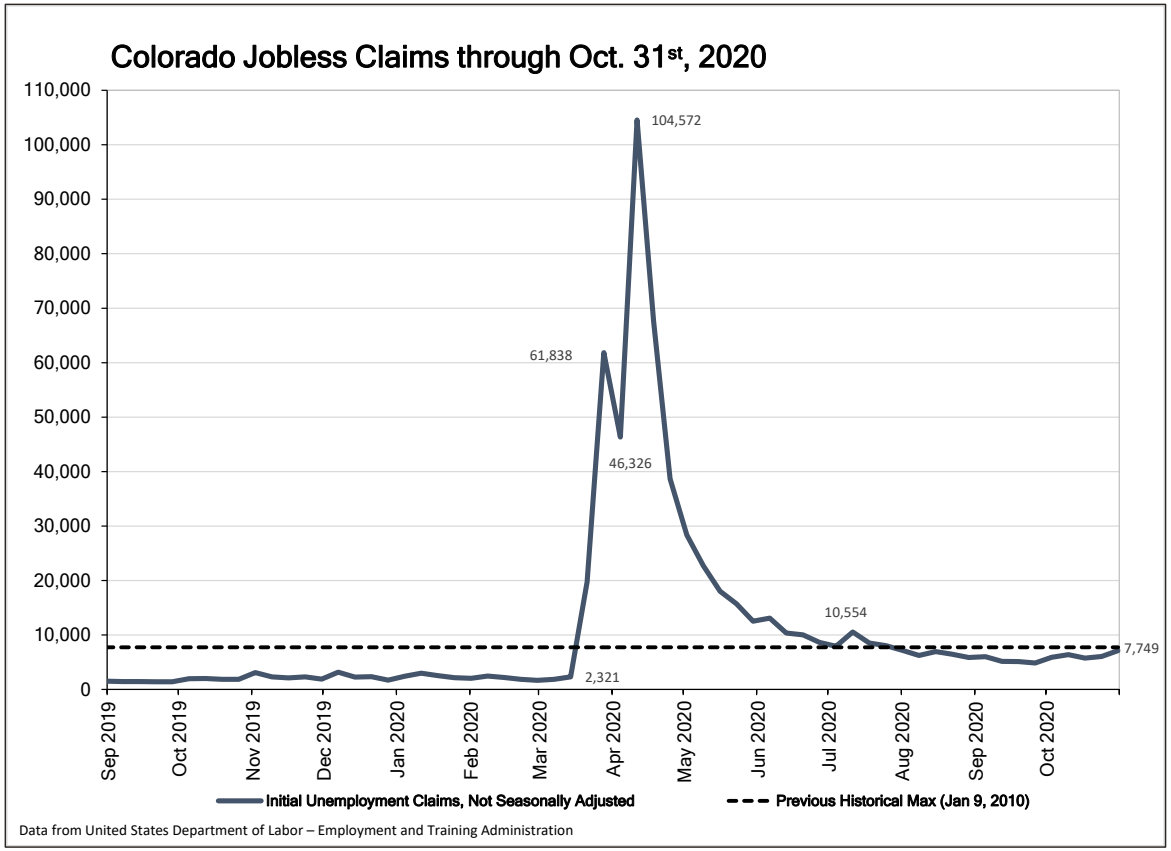




Zonda Advisory

Source: United States Department of Labor – Employment and Training Administration

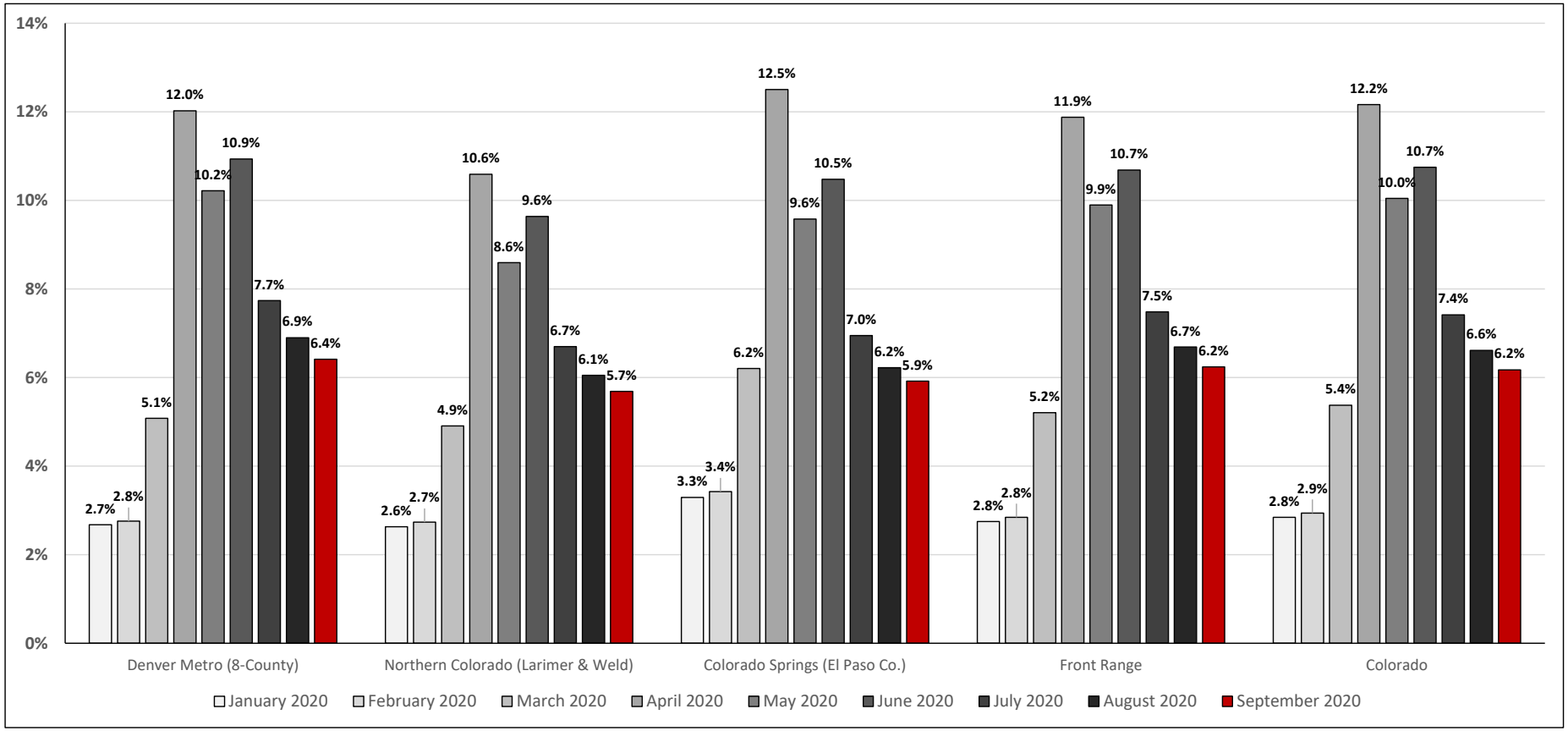
Colorado Jobless Claims – trailing 12 months



Zonda Advisory

Source: United States Department of Labor – Employment and Training Administration

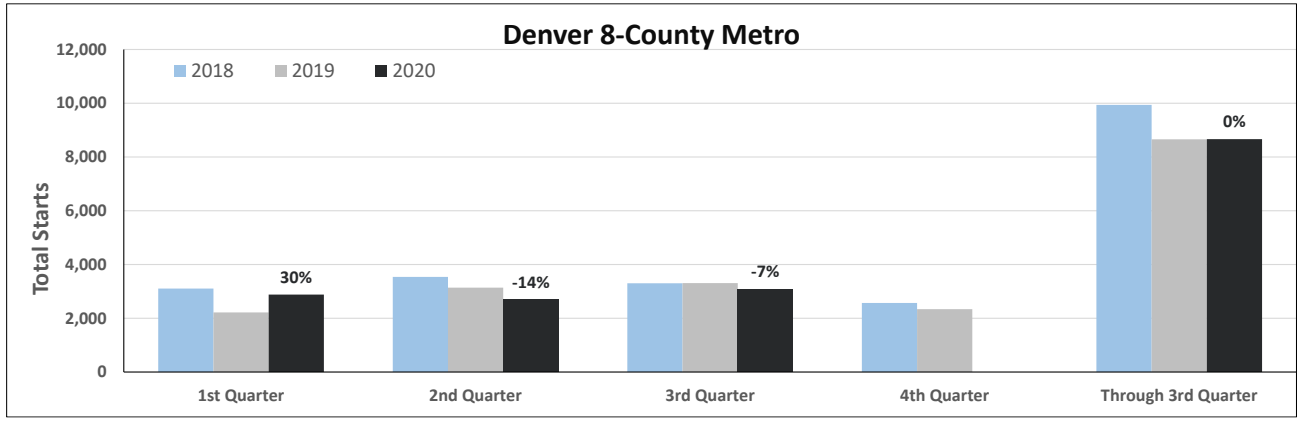
Unemployment Rates

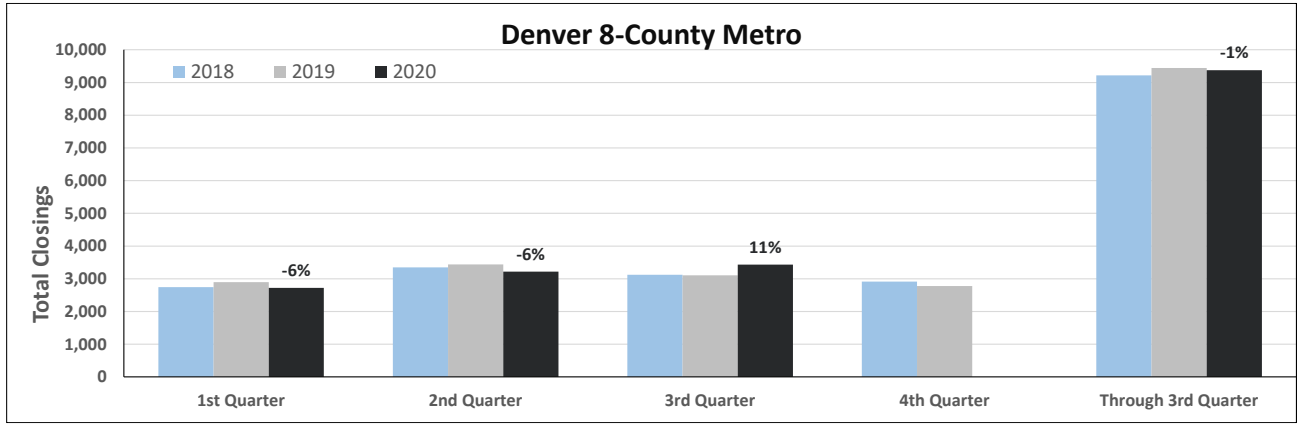


Source: Bureau of Labor Statistics

Zonda Advisory

Metro Denver New Home Quarterly Starts & Closings Comparisons

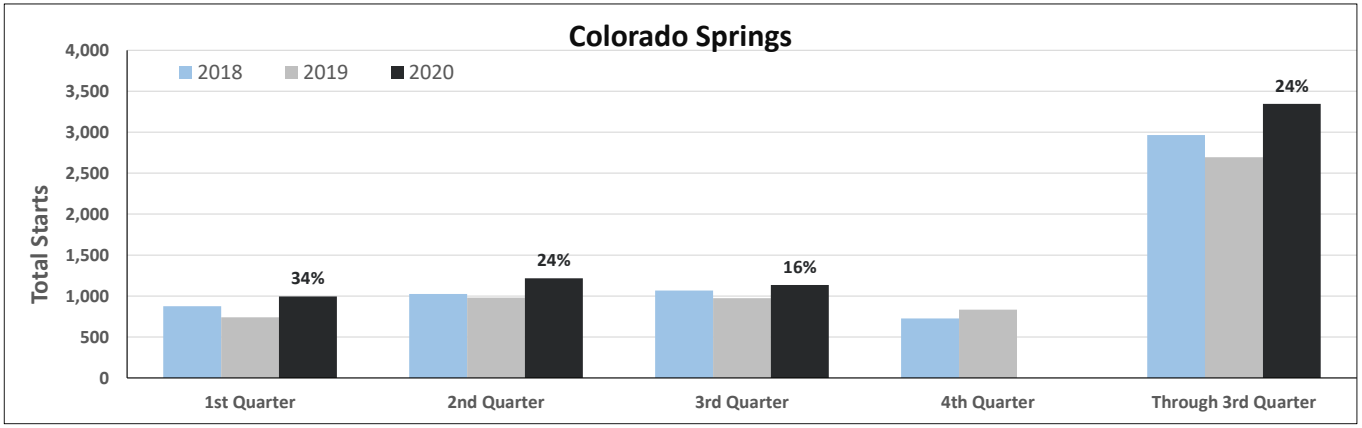


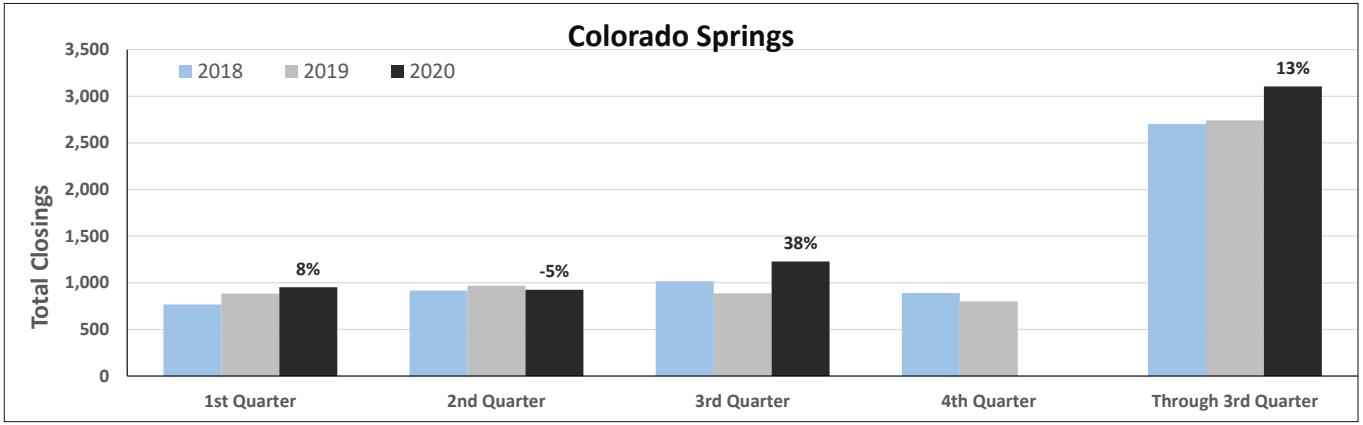


Zonda Advisory

Source: Zonda

Colorado Springs Quarterly New Home Starts & Closings Comparisons

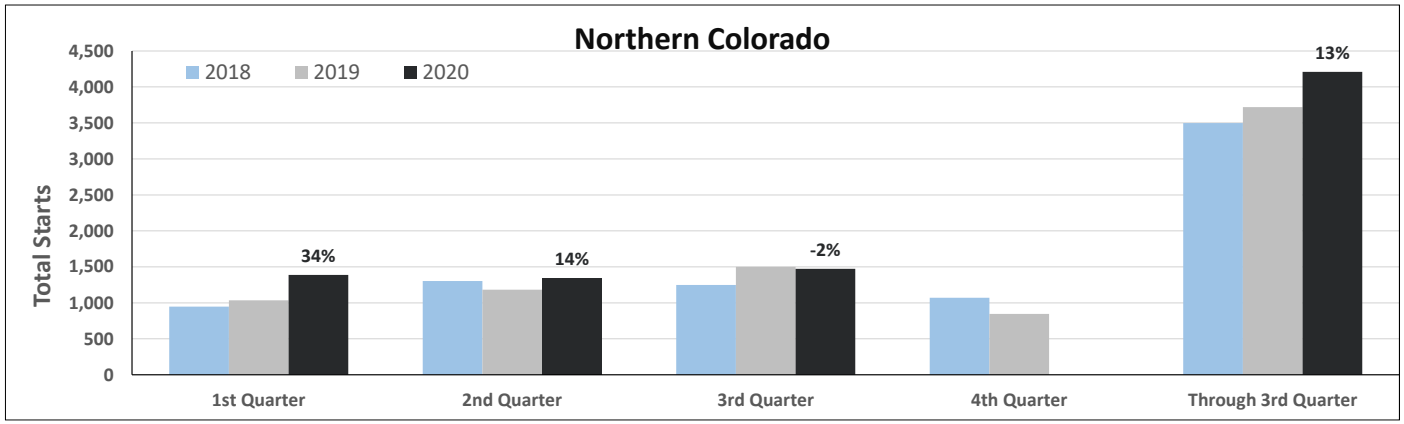


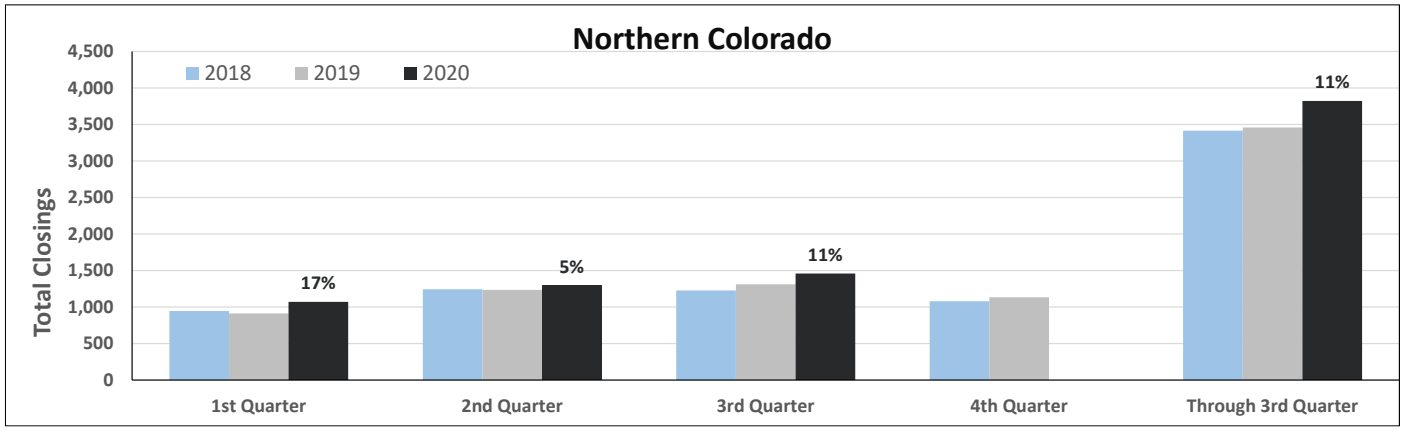


Zonda Advisory

Source: Zonda

Northern Colorado Quarterly New Home Starts & Closings Comparisons

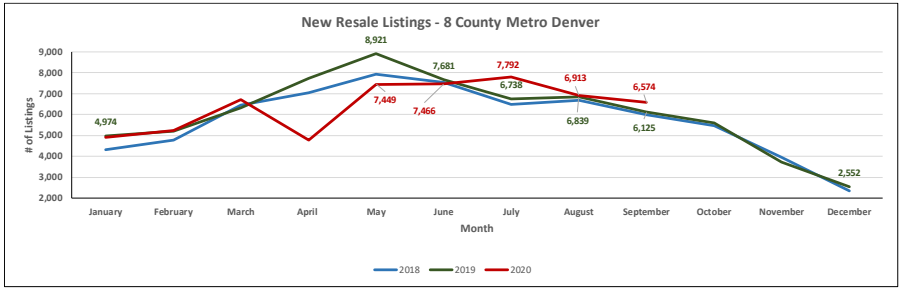


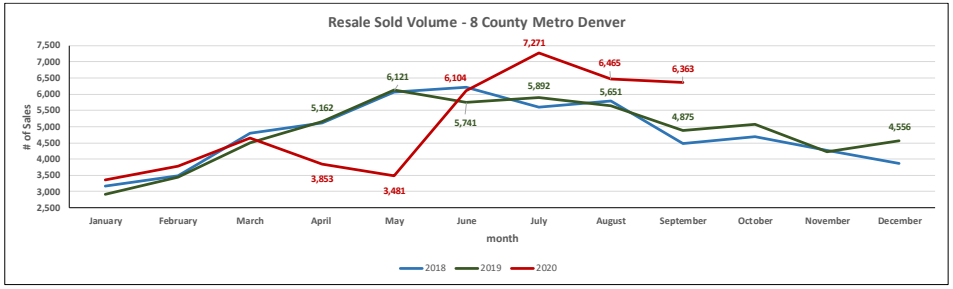


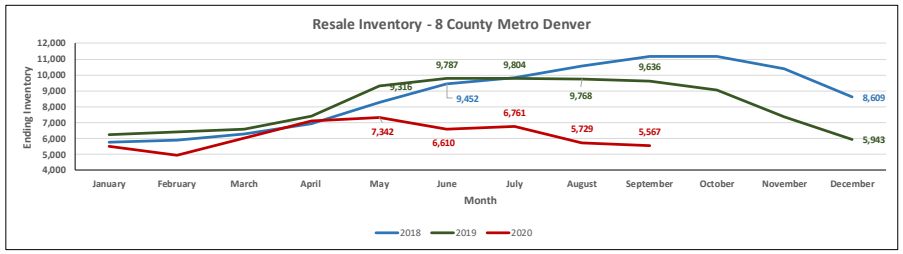
Zonda Advisory

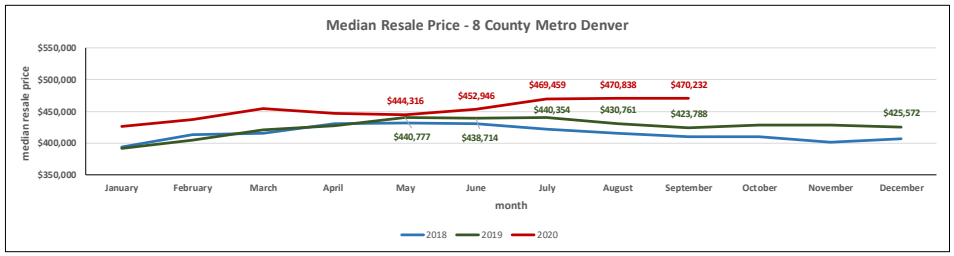
Source: Zonda

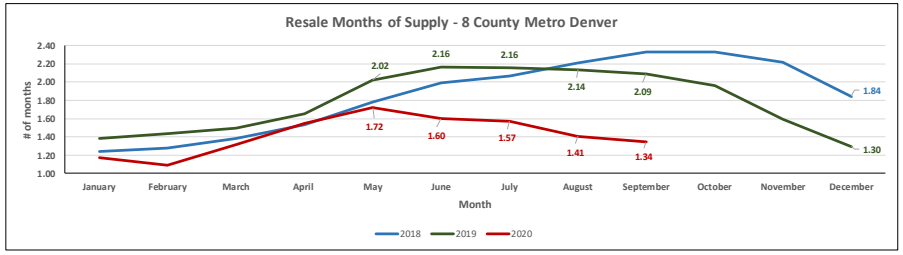
Metropolitan Denver Resale Housing Activity

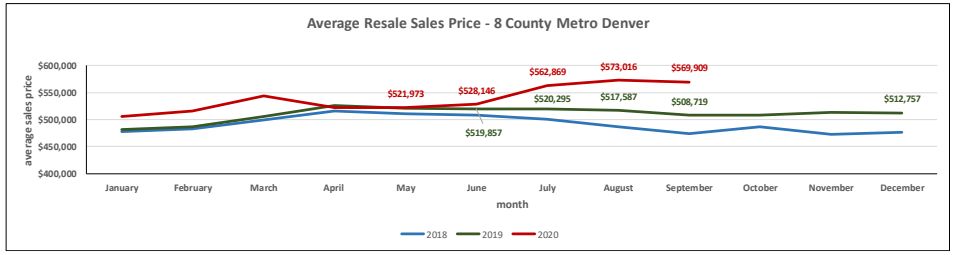








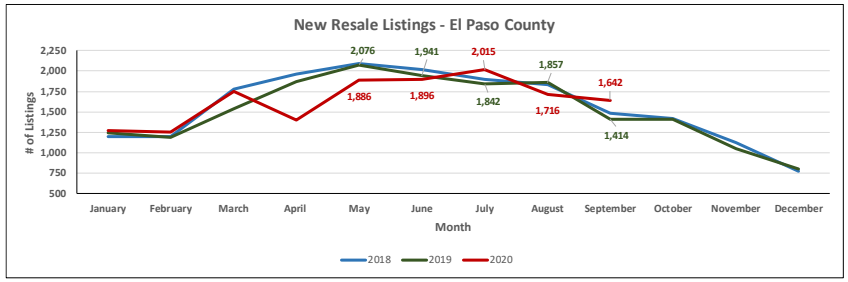


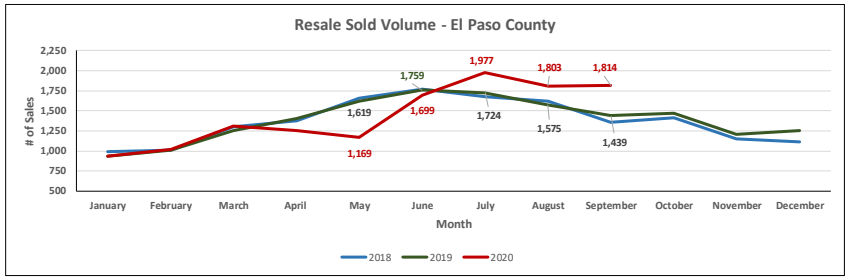


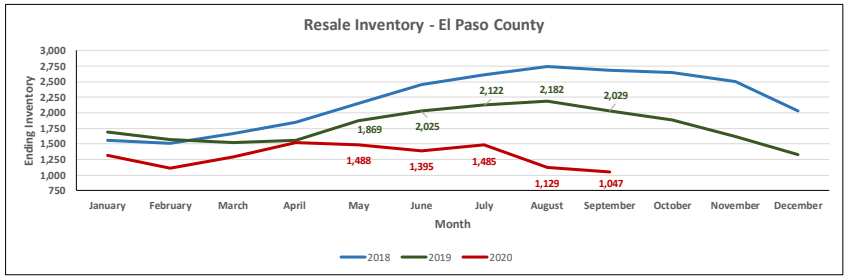
Zonda Advisory

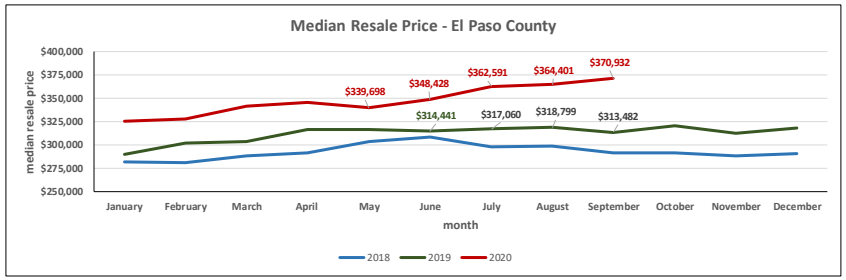
Source: Colorado Association of Realtors. Zonda

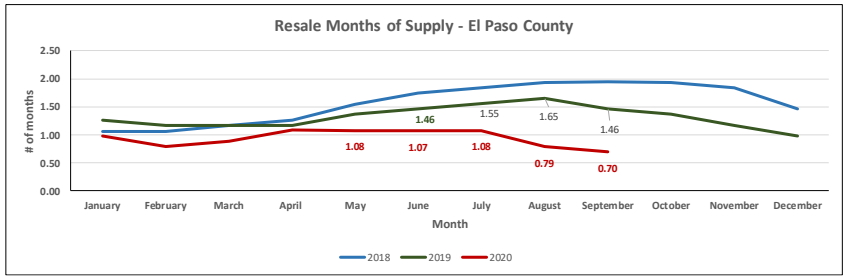
Colorado Springs (El Paso County) Resale Housing Activity

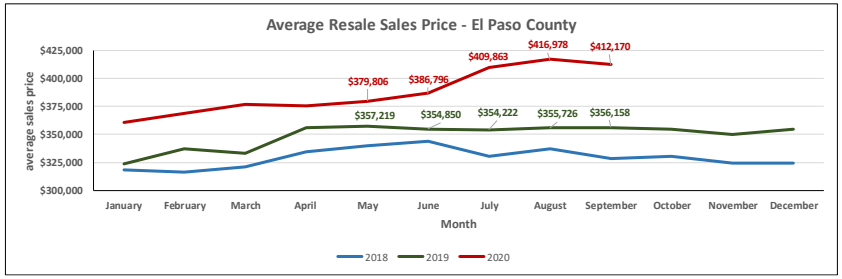








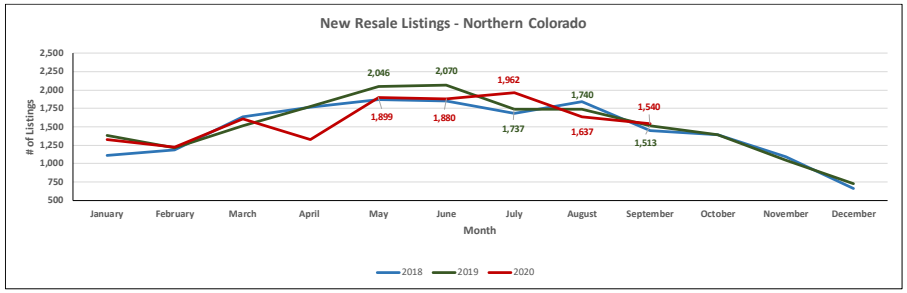


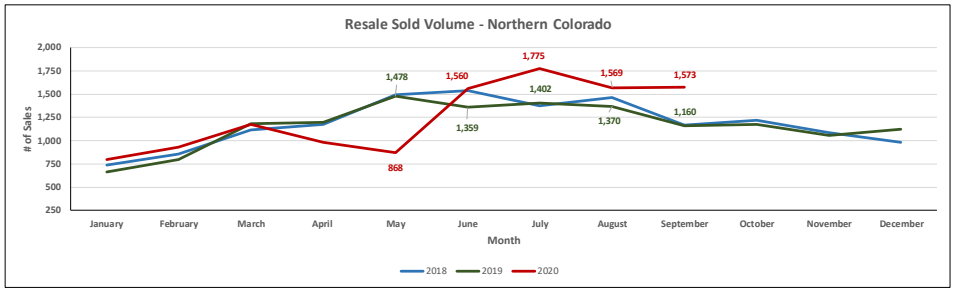


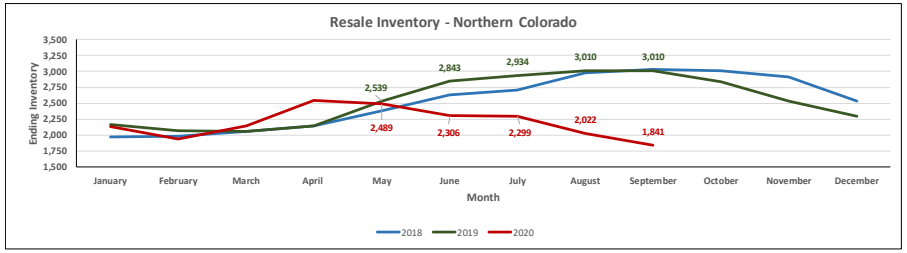
Zonda Advisory

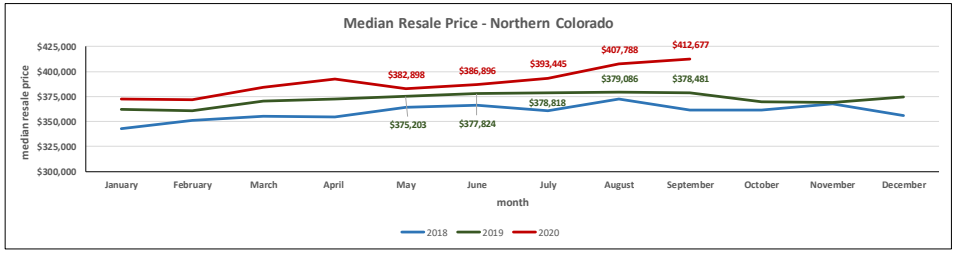
Source: Colorado Association of Realtors. Zonda

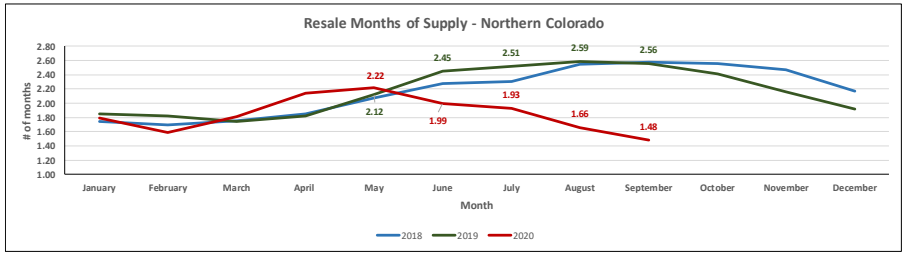
Northern Colorado Resale Housing Activity (Larimer & Weld County)

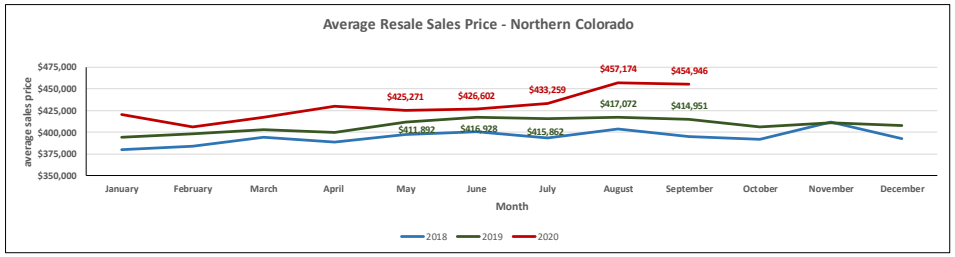








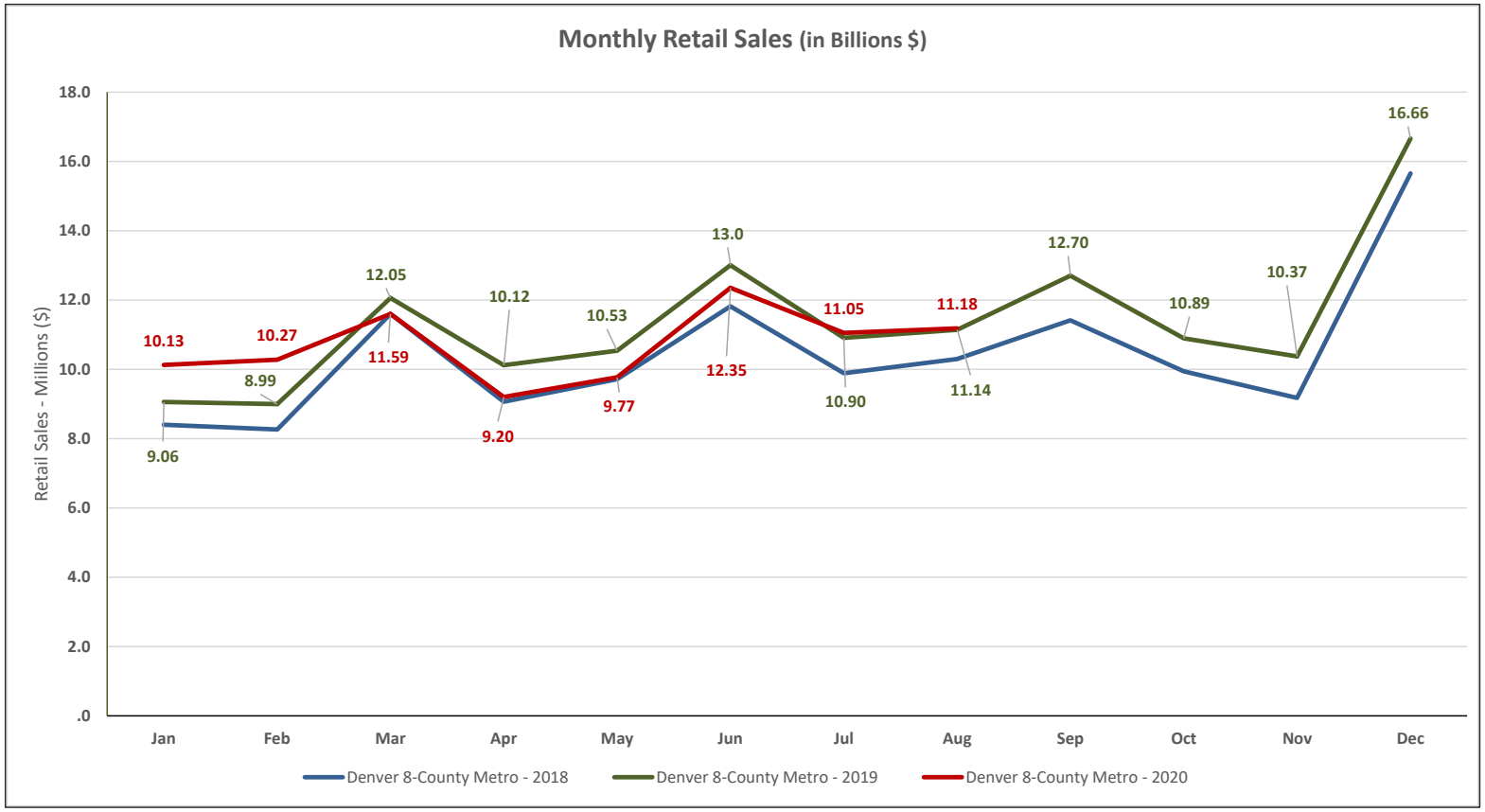




Zonda Advisory

Source: Colorado Association of Realtors. Zonda

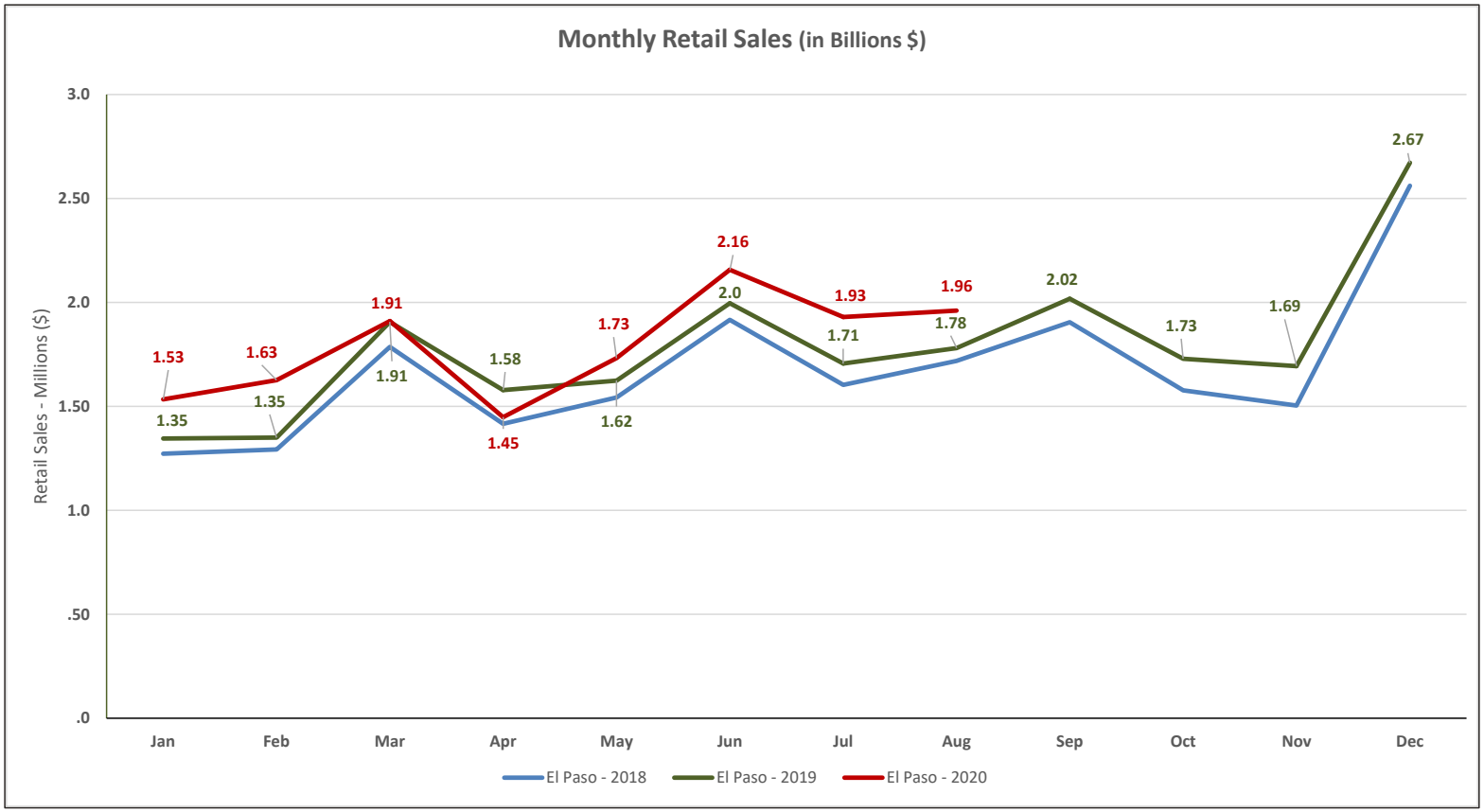
Metro Denver Retail Sales Trends



Zonda Advisory

Source: Colorado Department of Revenue

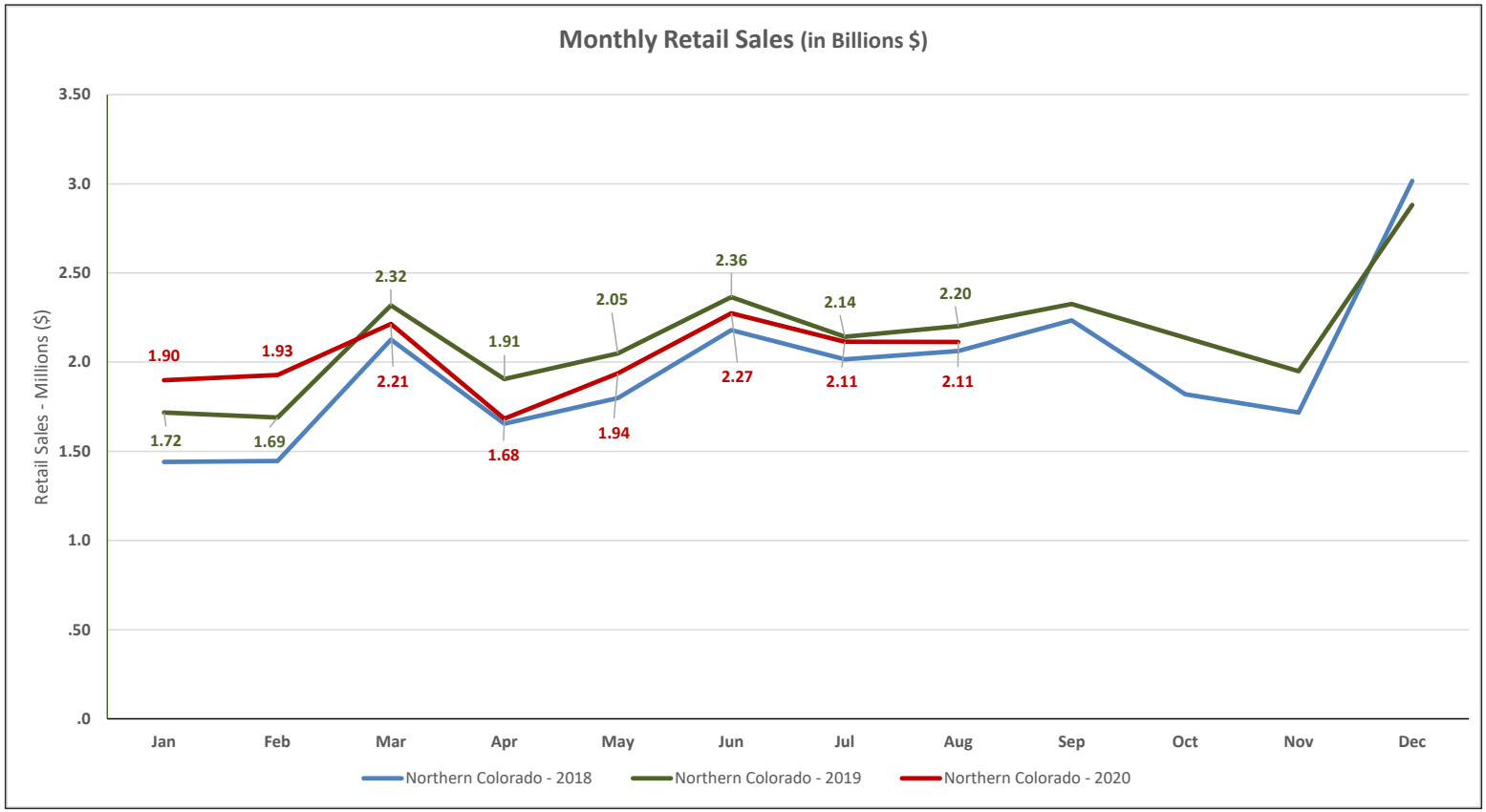
Colorado Springs (El Paso County) Retail Sales Trends



Zonda Advisory

Source: Colorado Department of Revenue

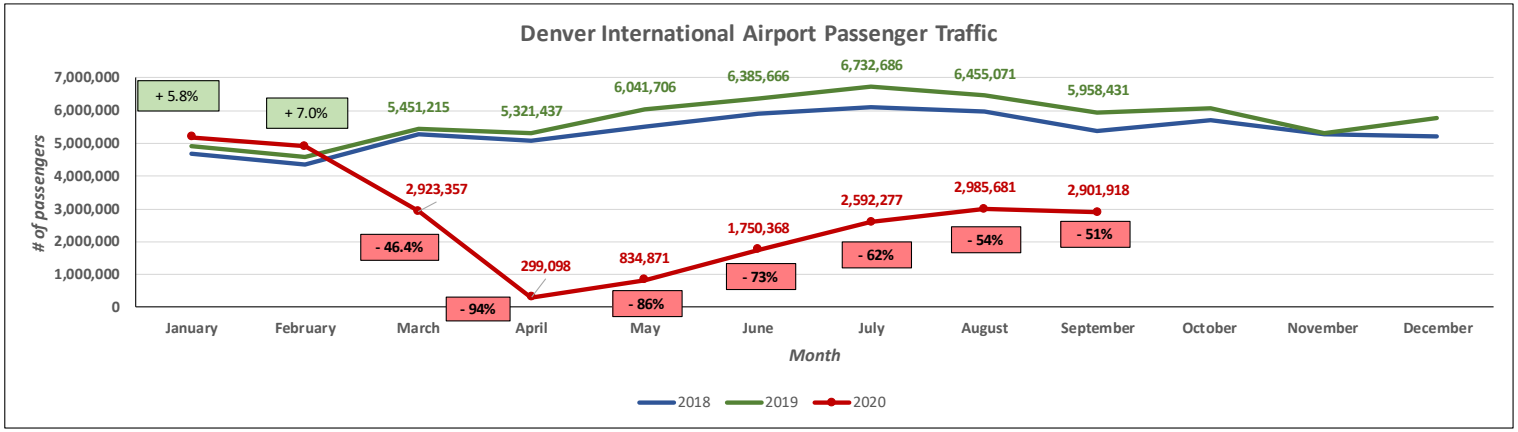
Northern Colorado Retail Sales Trends (Larimer & Weld County)

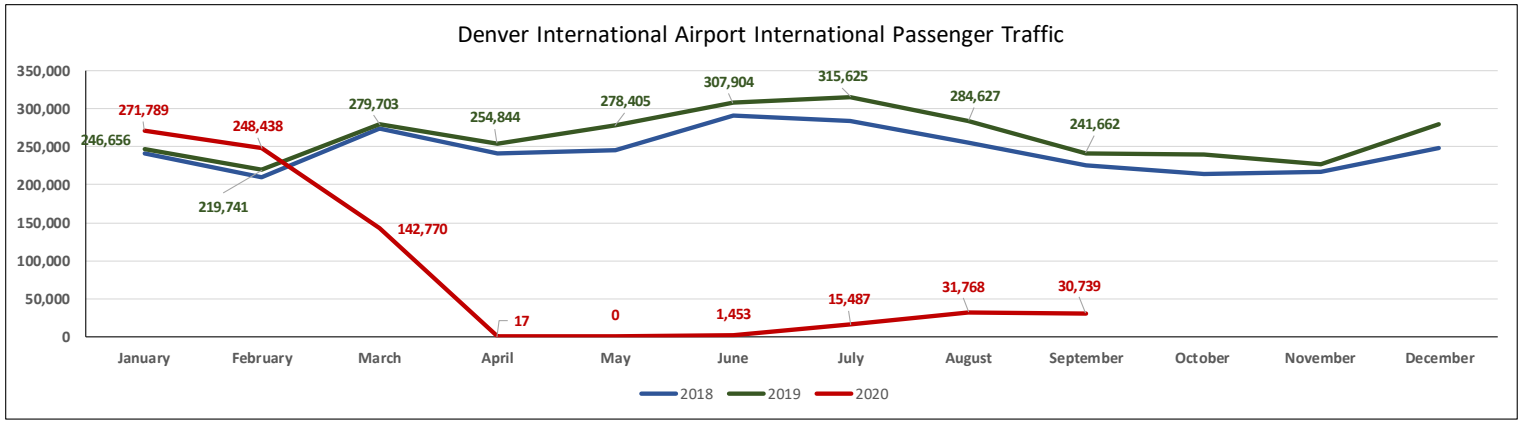


Zonda Advisory

Source: Colorado Department of Revenue

Denver International Airport Passenger Traffic

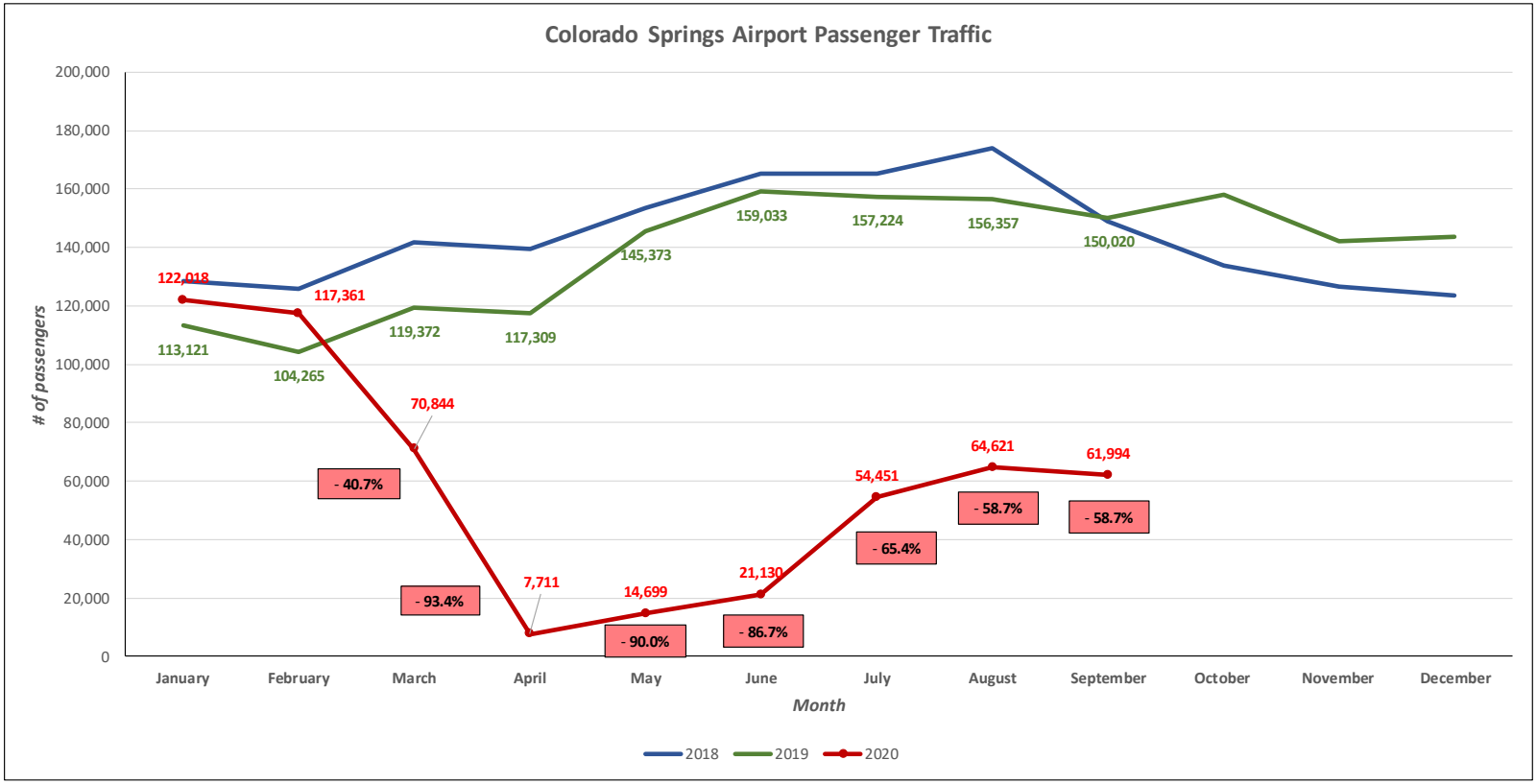




Zonda Advisory

Source: FlyDenver.com

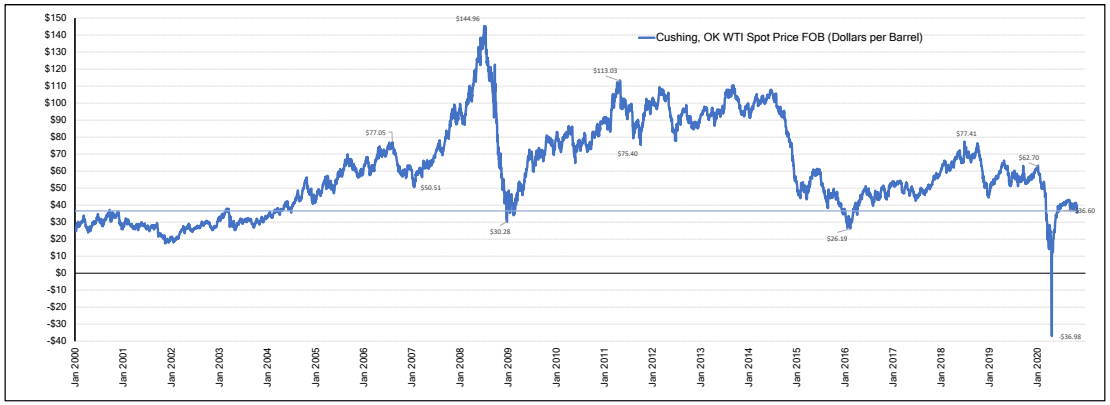
Colorado Springs Airport Passenger Traffic

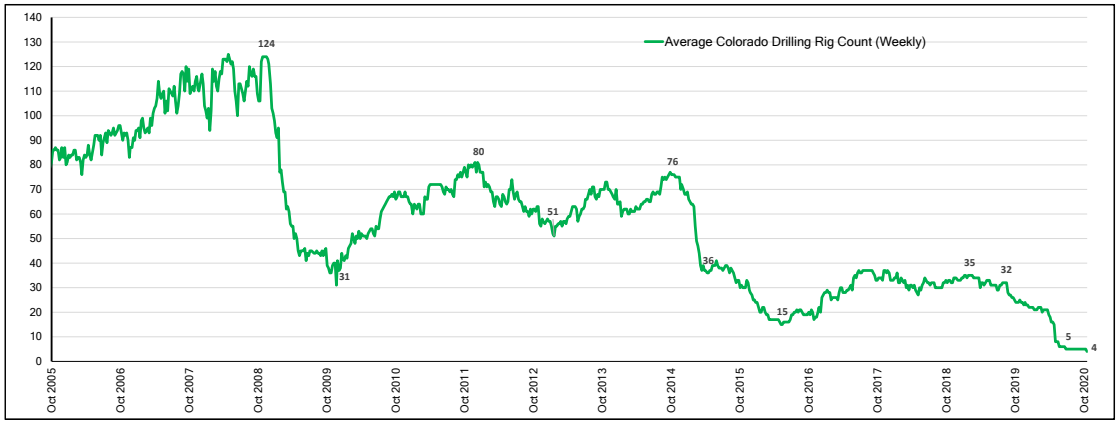


Zonda Advisory

Source: ColoradoSprings.gov

Oil Production, Prices & Colorado Drilling Rig Count

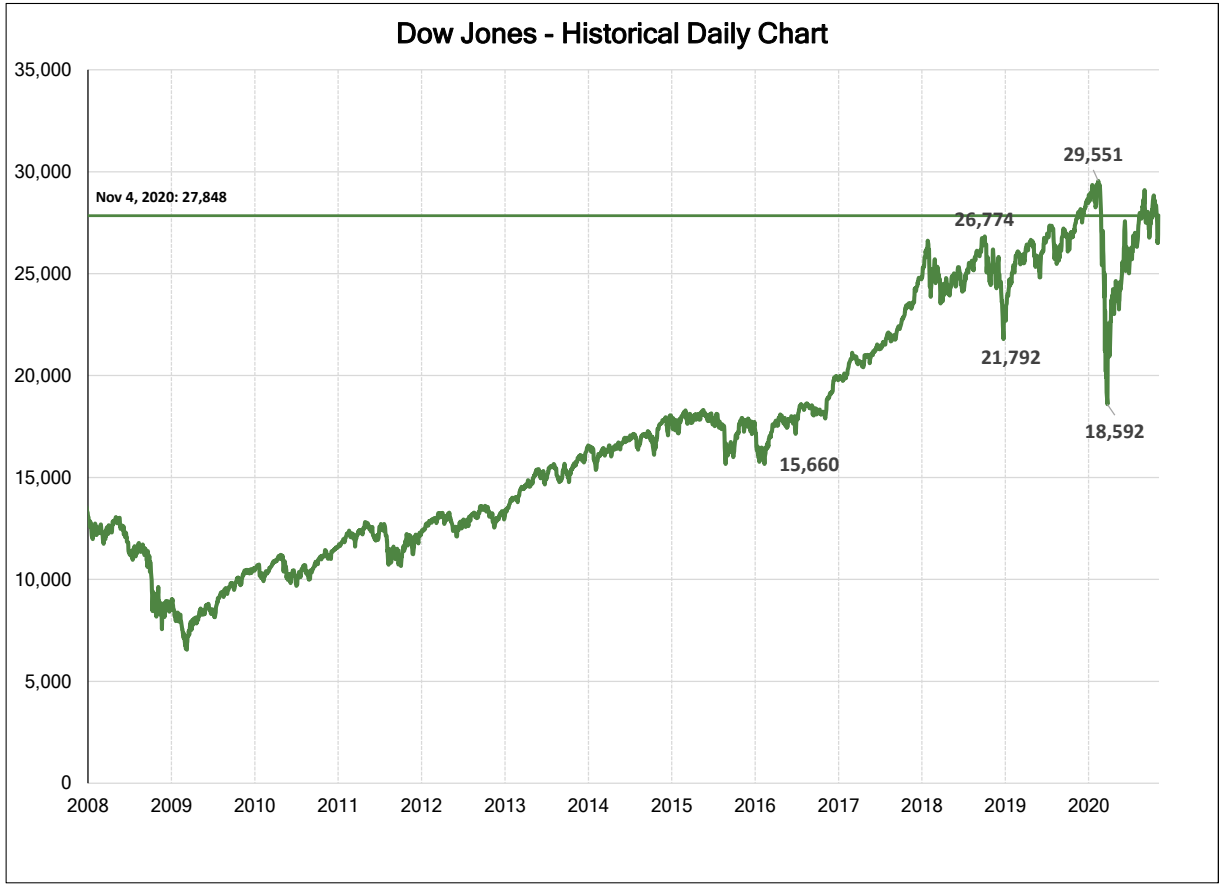




Sources: Baker Hughes; US Energy Information Administration

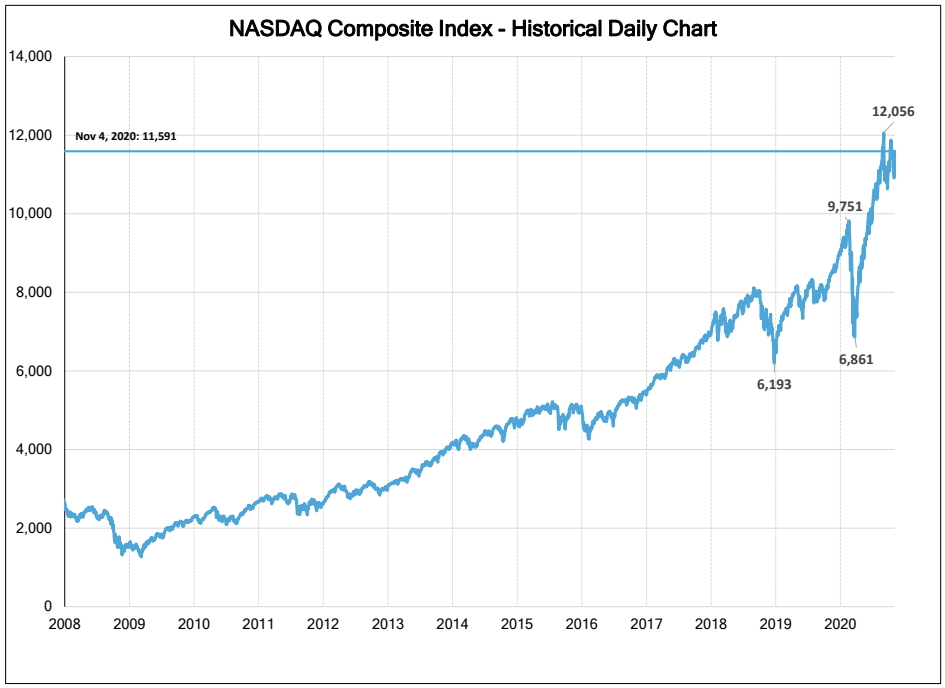
Zonda Advisory

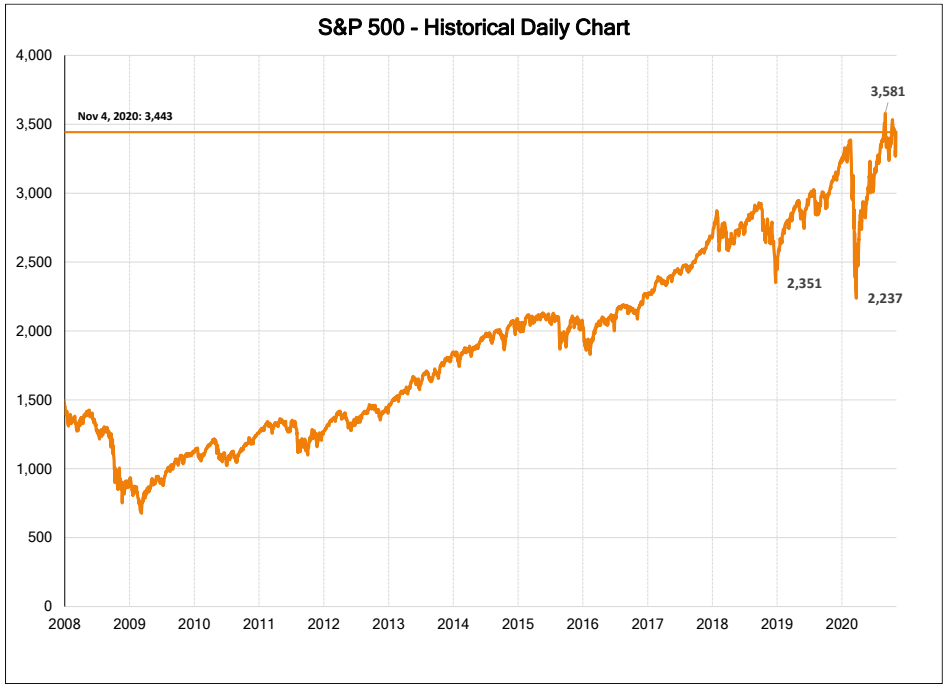
Dow Jones Composite Index – Ten Year Daily Chart



Zonda Advisory

NASDAQ & Standard and Poor Composite Index – Ten Year Daily Chart





Zonda Advisory

COVID-19 Colorado Levels of Openness Requirements

	Protect Our Neighbors: CAREFUL	Safer at Home Level 1: CAUTIOUS	Safer at Home Level 2: CONCERN	Safer at Home Level 3: HIGH RISK	Stay at Home: SEVERE
New Cases (excluding cases of residents in congregate facilities)	Must achieve all 8 Protect Our Neighbors metrics and complete the certification process	0-75/100,000 2 week incidence	>75-175/100,000 2 week incidence	>175-350/100,000 2 week incidence	>350+/100,000 2 week incidence
% Positivity		No greater than 5%	No greater than 10%	No greater than 15%	No limit
Hospitalizations?		Stable or declining	Stable or declining	Increasing	Increasing

Zonda Advisory

Source: Colorado Department of Public Health & Environment

Guidelines & Restrictions for Each Level

	Protect Our Neighbors: CAREFUL	Safer at Home Level 1: CAUTIOUS	Safer at Home Level 2: CONCERN	Safer at Home Level 3: HIGH RISK	Stay at Home: SEVERE
Variances	Eligible for both outdoor and indoor site-specific variances if approved by LPHA	Eligible for both outdoor and indoor site-specific variances if approved by LPHA	Eligible for outdoor site-specific variances if approved by LPHA	Not eligible	Not eligible
Personal Gathering Size	Per local guidance	25	10	10	None
P-12 Schools	In person suggested	In person suggested or hybrid, remote as appropriate	In person, hybrid, or remote as appropriate	Remote suggested, limited in person as appropriate	Remote
Higher Education	In person suggested	In person suggested or hybrid, remote as appropriate	In person, hybrid, or remote as appropriate	Remote suggested, limited in person as appropriate	Remote suggested, very limited in person when necessary

Zonda Advisory

Source: Colorado Department of Public Health & Environment

Guidelines & Restrictions for Each Level

	Protect Our Neighbors: CAREFUL	Safer at Home Level 1: CAUTIOUS	Safer at Home Level 2: CONCERN	Safer at Home Level 3: HIGH RISK	Stay at Home: SEVERE
Places of Worship	50%, 500 6ft between parties outdoors, per local zoning	50%, 175 indoors 6ft between parties outdoors, per local zoning	50%, 50 (or up to 100 with calculator) 6ft between parties outdoors, per local zoning	25%, 50 6ft between parties outdoors, per local zoning	Remote or virtual service
Restaurants	50%, 500 6ft between parties outdoors, per local zoning	50%, 175 indoors 6ft between parties outdoors, per local zoning	50%, 50 (or up to 100 with calculator) 6ft between parties outdoors, per local zoning	25%, 50 6ft between parties outdoors, per local zoning	Take out or delivery only
Offices	50%	50%	50%,	25%	Closed
Bars	50%, 500	Closed	Closed	Closed	Closed

Zonda Advisory

Source: Colorado Department of Public Health & Environment

Guidelines & Restrictions for Each Level

	Protect Our Neighbors: CAREFUL	Safer at Home Level 1: CAUTIOUS	Safer at Home Level 2: CONCERN	Safer at Home Level 3: HIGH RISK	Stay at Home: SEVERE
Gyms/Fitness	50%, 500	25%, 75	25%, 50	Virtual, or outdoors in groups less than 10	Virtual, or outdoors in groups less than 10
Group Sports	50%, 500	50 person cap per activity	25 person cap per activity	Virtual, or outdoors in groups less than 10	Virtual, or outdoors in groups less than 10
Retail	50%	50%	50%	25%	Curbside pick up and online only
Personal Services	50%, 500	50%, 50	50%, 50	25%, 25	Closed
Indoor Events	50%, 500	175 person cap	100 person cap (with calculator)	25 person cap (with calculator)	Closed

Zonda Advisory

Source: Colorado Department of Public Health & Environment

Guidelines & Restrictions for Each Level

	Protect Our Neighbors: CAREFUL	Safer at Home Level 1: CAUTIOUS	Safer at Home Level 2: CONCERN	Safer at Home Level 3: HIGH RISK	Stay at Home: SEVERE
Outdoor Events	50%, 500	250 person cap	175 person cap (with calculator)	75 person cap (with calculator)	Closed
Senior Facilities	Outdoor and compassionate visitation, indoor under limited circumstances	Outdoor and compassionate visitation, indoor under limited circumstances	Outdoor and compassionate visitation, indoor under limited circumstances	Closed except for compassionate visitation	Closed except for compassionate visitation
Outdoor Recreation	50%, 500	50%, 25	50%, 10	25%, 10	Closed

Zonda Advisory

Source: Colorado Department of Public Health & Environment

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Zonda™
Advisory

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APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the area within which the District is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees, or advisors.*

Larimer County has a diversified economy ranging from agriculture in the eastern part of the County to the high mountain tourist and recreational area of Rocky Mountain National Park in the western area. In between these two extremes are major manufacturing, industrial and technology facilities, as well as a strong retail base. Colorado State University, located in Fort Collins, is highly recognized for its veterinary medicine teaching hospital and research facilities. Loveland and Estes Park, in particular, benefit greatly from the tourist industry. Loveland is located on the main highway leading to Rocky Mountain National Park. Estes Park is situated at the immediate east entrance of the Park. Fort Collins, the County seat, is the regional shopping area for the northeastern section of Colorado, southern Wyoming and western Nebraska.

Population

The following table sets forth population statistics for the city of Fort Collins (the "City"), Larimer County (the "County") and the State of Colorado (the "State").

Population

	Fort Collins		Larimer County		Colorado	
Year	**Total Population**	**Percent Change**	**Total Population**	**Percent Change**	**Total Population**	**Percent Change**
1970	43,337	--	89,900	--	2,207,259	--
1980	65,092	50.20%	149,184	65.94%	2,889,964	30.93%
1990	87,758	34.82	186,136	24.77	3,294,394	13.99
2000	118,652	35.20	251,494	35.11	4,301,261	30.56
2010	143,986	21.35	299,630	19.14	5,029,196	16.92
2019 [1]	170,318	18.29	356,938	19.13	5,763,976	14.61

[1] Estimate.
Source: U.S. Department of Commerce, Bureau of the Census

Housing Stock

The following table sets forth a comparison of households within the City, County and the State.

Housing Units

	2000	2010	Percent Change	2019 [1]
Fort Collins	47,755	60,503	26.69%	71,705
Larimer County	105,392	132,722	25.93	156,806
Colorado	1,808,037	2,212,898	22.39	2,467,730

[1] Figures are estimates and the most-current information available as of the date of this Official Statement.
Source: U.S. Department of Commerce, Bureau of the Census

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income ("EBI") levels, and per capita personal income in the County, the State and the United States.

Median Household Effective Buying Income [1]

	2016	2017	2018	2019	2020
Larimer County	$52,080	$51,114	$58,137	$58,861	$63,040
Colorado	52,345	54,718	57,732	59,227	62,340
United States	46,738	48,043	50,620	52,468	54,686

[1] As of January 1.
Source: The Nielsen Company, *Site Reports*, 2016-2017, Environics Analytics, *Spotlight Claritas Reports* 2018-2020

Percent of Households by Effective Buying Income Groups – 2020 [1]

	Less Than $25,000	$25,000-$49,999	$50,000-$99,999	$100,000-$149,999	$150,000 and more
Larimer County	16.52%	23.58%	35.24%	15.05%	9.63%
Colorado	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

[1] May not total 100% due to rounding. Calculated as of January 1, 2020.
Source: Environics Analytics, *Spotlight Claritas Reports* 2020

Per Capita Personal Income

	2014	2015	2016	2017	2018 [1]
Larimer County	$45,166	$46,943	$48,225	$51,497	$54,188
Colorado	50,700	52,133	52,262	55,335	58,456
United States	47,058	48,978	49,870	51,885	54,446

[1] 2018 is the most current data available.
Source: Bureau of Economic Analysis, U.S. Department of Commerce

School Enrollment

The following table presents a five-year history of school enrollment for the school district serving the District.

Poudre R-1

Year	School Enrollment	Percent Change
2015/2016	29,527	--
2016/2017	29,682	0.52%
2017/2018	30,019	1.14
2018/2019	30,463	1.48
2019/2020	30,754	0.96

Source: Colorado Department of Education

Building Activity

Set forth in the following table is historical building permit activity in the City.

History of Building Permit Activity—Fort Collins

	Single-Family		Multi-Family		Commercial	
Year	Permits	Valuation	Permits	Valuation	Permits	Valuation
2015	509	$133,046,263	465	$ 59,469,368	--	--
2016	522	142,232,627	968	117,394,354	315	$41,863,220
2017	583	123,784,230	695	103,976,330	174	29,977,224
2018	414	109,982,849	734	90,520,153	216	72,696,052
2019	320	77,293,394	545	71,579,114	88	20,508,592
2020 [1]	376	84,425,834	71	7,803,051	25	2,422,661

[1] Building permits issued through September 30, 2020.
Source: Larimer County Building Department

History of Building Permit Activity—Unincorporated Larimer County

	Single-Family		Commercial		Other	
Year	Permits	Valuation	Permits	Valuation	Permits	Valuation
2015	728	$84,970,240	104	$19,002,641	2,336	$28,897,680
2016	725	80,622,225	143	31,835,375	1,824	56,939,894
2017	784	72,669,410	111	20,677,833	2,253	24,578,575
2018	772	63,245,373	138	16,856,449	2,975	32,485,594
2019	952	67,515,629	106	21,755,828	2,902	28,554,457
2020 [1]	579	55,317,722	60	20,260,642	1,797	17,356,374

[1] Building permits issued through September 30, 2020.
Source: Larimer County Building Department

Foreclosure Activity

The following table sets forth historical foreclosure activity in the County.

History of Foreclosures

Year	Larimer County	Percent Change
2016	260	--
2017	233	(10.38)%
2018	190	(18.45)
2019	205	7.89
2020 [1]	78	--

[1] Foreclosures filed through November 6, 2020.
Source: Larimer County Public Trustee

Retail Sales

The retail trade sector employs a large portion of the City and the County's work force and is important to the area's economy. The following table sets forth information on retails sales within the City, the County and the State for the years indicated.

Retail Sales
(in thousands) [1]

Year	Fort Collins	Percent Change	Larimer County	Percent Change	Colorado	Percent Change
2016	$5,003,640	--	$10,417,288	--	$184,703,410	--
2017	4,793,821	(4.19)%	10,769,974	3.39%	194,641,958	5.38%
2018	5,071,266	5.79	11,343,271	5.32	206,121,045	5.90
2019	5,570,995	9.85	12,432,024	9.60	224,618,938	8.97
2020 [2]	3,532,703	--	8,041,945	--	142,731,134	--

[1] Due to a change in reporting format, 2015 figures have been excluded as they are not directly comparable to subsequent years.
[2] Retail sales through August 31, 2020.
Source: State of Colorado, Department of Revenue, Retails Sales Reports 2016-2020

Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for the County and State.

Total Business Establishments and Employment—Larimer County

Industry [1]	First Quarter 2019 Units	First Quarter 2019 Average Employment	First Quarter 2020 Units	First Quarter 2020 Average Employment	Quarterly Change Units	Quarterly Change Average Employment
Agriculture, Forestry, Fishing and Hunting	93	894	98	897	5	3
Mining	62	520	63	512	1	(8)
Utilities	19	269	17	272	(2)	3
Construction	1,391	10,876	1,420	10,840	29	(36)
Manufacturing	509	14,511	524	14,445	15	(66)
Wholesale Trade	736	5,042	751	5,235	15	193
Retail Trade	1,158	19,160	1,161	18,808	3	(352)
Transportation and Warehousing	203	2,782	209	3,202	6	420
Information	236	3,161	244	3,381	8	220
Finance and Insurance	596	3,403	627	3,385	31	(18)
Real Estate, Rental and Leasing	750	3,016	795	3,077	45	61
Professional and Technical Services	2,318	10,539	2,483	11,129	165	590
Management of Companies and Enterprises	156	958	198	1,037	42	79
Administrative and Waste Services	704	7,978	766	8,017	62	39
Educational Services	190	1,767	200	1,832	10	65
Health Care and Social Assistance	1,151	16,513	1,185	16,653	34	140
Arts, Entertainment and Recreation	223	2,445	242	2,604	19	159
Accommodation and Food Services	910	17,992	922	18,146	12	154
Other Services	956	4,778	1,039	5,087	83	309
Non-classifiable	8	20	7	24	(1)	4
Government	126	34,040	126	35,248	0	1,208
Total	12,495	160,642	13,077	163,832	582	3,190

[1] Information provided herein reflects only those employers who are subject to State unemployment insurance law.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

Labor Force Estimates

Year	Larimer County Labor Force	Larimer County Percent Unemployed	Colorado Labor Force	Colorado Percent Unemployed
2015	180,786	3.3%	2,828,876	3.9%
2016	187,550	2.8	2,896,771	3.2
2017	195,355	2.3	2,992,412	2.7
2018	202,449	2.8	3,096,358	3.3
2019	205,932	2.6	3,146,423	3.1
2020 [1, 2]	203,864	6.3	3,122,265	7.3

[1] Labor force averages through August 31, 2020.
[2] As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially as reported in July. See "RISK FACTORS—COVID-19."
Source: State of Colorado, Division of Employment and Training

Selected major employers in the County are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

2019 Selected Major Employers in Larimer County

Firm	Product or Service	Estimated Number of Employees
UC Health	Health Care	7,760
Colorado State University	Education	7,676
Poudre School District R-1	Education	3,784
Thomson School District R2-J	Education	2,113
Larimer County	County Government	1,799
Broadcom Inc.	Technology	1,690
City of Fort Collins	City Government	1,637
Woodward Inc.	Energy Control & Optimization Solutions	1,600
Banner Health: McKee Medical Center	Healthcare	1,390
City of Loveland	City Government	1,158

Source: County 2019 Comprehensive Annual Financial Report

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") New York, NY and DTC's book-entry-only system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado

$5,810,000	**$865,000**
Limited Tax General Obligation Bonds	**Subordinate Limited Tax General Obligation Bonds**
Series 2020A	**Series 2020B**

This Continuing Disclosure Agreement (this "Agreement") is entered into as of December 2, 2020, by and among Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado (the "District"), DFC Northfield, LLC, a Florida limited liability company ("DFC Northfield"), Northfield Land, LLC, a Colorado limited liability company ("Northfield Land," and together with DFC Northfield, the "Obligated Persons"), and UMB Bank, n.a. Denver, Colorado, as trustee (the "Trustee"), under the Indentures (defined below) relating to the Bonds (defined below).

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by MBS Capital Markets, LLC (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of November 18, 2020.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indentures (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"*Annual Budget Report*" means the report described in Section 3(a)(3) hereof.

"Annual Financial Report" means the report described in Section 3(a)(2) hereof.

"*Annual Financial Report Conversion Date*" means the date upon which the certificate of occupancy for the 302nd residential unit within the District has been issued by the City of Fort Collins (such number constituting approximately 80% of the total planned 377 residential units within the District).

"*Audited Financial Statements*" means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Bond Resolution*" means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the District on October 26, 2020.

"Bonds" means, together, the Senior Bonds and the Subordinate Bonds.

"*Indentures*" means, together, the Senior Indenture and the Subordinate Indenture.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated November 18, 2020.

"*MSRB*" means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"*Participant*" means any broker-dealer, bank, or other financial institution from time to time for which DTC (as defined in the Indentures) or another Depository (as defined in the Indentures) holds the Bonds.

"Quarterly Report" means the report described in Section 3(a)(1) hereof.

"Senior Bonds" means the District's Limited Tax General Obligation Bonds, Series 2020A.

"Senior Indenture" means the Indenture of Trust dated as of December 2, 2020, between the Trustee and the District, pursuant to which the Senior Bonds were issued.

"Subordinate Bonds" means the District's Subordinate Limited Tax General Obligation Bonds, Series 2020B.

"Subordinate Indenture" means the Indenture of Trust dated as of December 2, 2020, between the Trustee and the District, pursuant to which the Subordinate Bonds were issued.

Section 3. Requirement for Quarterly and Annual Reports.

The Obligated Persons and the District hereby undertake and agree to provide certain information specified below to the Trustee on the dates specified below.

(a) Timing of Reports.

(1) *Quarterly Reports*. Prior to the Annual Financial Report Conversion Date, the Obligated Persons and the District shall provide a Quarterly Report to the Trustee in the form of Appendix A attached hereto. The last day of each quarterly reporting period, the Trustee Notice Date, the District Due Date, and the Quarterly Report Filing Date is set forth below:

Last Day of Quarterly Reporting Period	Date Trustee Sends Notice to District and Fund Balance Information for Section 2 ("Trustee Notice Date")	Date Quarterly Report is Due to Trustee ("Quarterly Report District Due Date")	Date Quarterly Report is Due to Be Filed with the MSRB ("Quarterly Report Filing Date")
March 31	**March 31**	**May 5**	**May 15**
June 30	**June 30**	**August 5**	**August 15**
September 30[(1)]	**September 30**	**November 5**	**November 15**
December 31	**December 31**	**February 5**	**February 15**

Includes certain quarterly information for the quarterly reporting period ending September 30 and certain annual information for the annual reporting period ending December 31, as described in Section 3(a)(2).

The first Quarterly Report will be due for the quarter ending March 31, 2021.

(2) *Annual Financial Reports*. After the Annual Financial Report Conversion Date, the Obligated Persons shall no longer be required to file Quarterly Reports and the District shall only be obligated to provide an Annual Financial Report to the Trustee in the form of Appendix A attached hereto. The last day of each annual reporting period, the Trustee Notice Date, the District Due Date, and the Annual Financial Report Filing Date is set forth below:

Last Day of Annual Reporting Period	Date Trustee Sends Notice to District and Fund Balance Information for Section 2 ("Trustee Notice Date")	Date Annual Report is Due to Trustee ("Annual Financial Report District Due Date")	Date Annual Report is Due to Be Filed with the MSRB ("Annual Financial Report Filing Date")
December 31	**September 30**	**November 5**	**November 15**

(3) *Annual Budget Reports*. The District shall provide an Annual Budget Report to the Trustee in the form of Appendix B attached hereto. The first day of each annual budget reporting period, the Trustee Notice Date, the District Due Date, and the Annual Budget Report Filing Date is set forth below:

First Day of Annual Budget Reporting Period	Date Trustee Sends Notice to District ("Trustee Notice Date")	Date Annual Budget Report is Due to Trustee ("Annual Budget District Due Date")	Date Annual Budget Report is Due to Be Filed with the MSRB ("Annual Budget Filing Date")
January 1	**January 15**	**January 31**	**February 15**

The first Annual Budget Report will be due for the year beginning January 1, 2021.

(b) Contents of Reports.

(1) *Quarterly Reports*. For each Quarterly Report, the Obligated Persons shall complete Section 1 and the District shall complete Sections 2-3; provided, however, for the Quarterly Report due on each September 30, the District shall also complete Section 4. For the avoidance of doubt, there is no requirement that each Obligated Person provide the information required by Section 1 of each Quarterly Report, and either or both Obligated Persons may contribute to or complete Section 1 of each Quarterly Report, as they may determine among themselves.

(2) *Annual Financial Reports*. For each Annual Financial Report, the District shall complete Sections 2-3. The Obligated Persons are not required to complete any sections in the Annual Financial Report, as provided in Section 5(a) hereof.

(3) *Annual Budget Reports*. For each Annual Budget Report, the District shall complete all sections of the Annual Budget Report set forth in Appendix B attached hereto.

(4) *Incorporation by Reference*. Any or all of the items required to be updated may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District and the Obligated Persons, as applicable, shall clearly identify each such document incorporated by reference.

(c) The Trustee shall:

(1) determine prior to each Quarterly Report Filing Date and Annual Financial Report Filing Date the appropriate electronic format prescribed by the MSRB;

(2) on or before each applicable Trustee Notice Date, send written notice to the District which: (a) states that the Quarterly Report, Annual Financial Report, or Annual Budget Report will be due by the applicable Quarterly Report District Due Date, Annual Financial Report District Due Date or Annual Budget District Due Date; and (b) provides the information required by Section 2 of the Quarterly Report or the Annual Financial Report, as applicable;

(3) on or before each applicable Quarterly Report Filing Date, Annual Financial Report Filing Date, or Annual Budget Report Filing Date provide to the MSRB (in an electronic format as prescribed by the MSRB) the completed Quarterly Report, Annual Financial Report, or Annual Budget Report, as applicable. Each Quarterly Report, Annual Financial Report, or Annual Budget Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above;

(4) if necessary, file the Notice of Failure to File Report form attached as Appendix C with the MSRB as required by Section 3(d);

(5) file the Notice of Annual Financial Report Conversion Date attached as Appendix D with the MSRB if required by Section 6(a); and

(6) upon request, file a report with the District at the address in the following paragraph certifying that the Quarterly Report, Annual Financial Report, Annual Budget Report, Notice of Failure to File Report, or Notice of Annual Financial Report Conversion Date, as applicable, has been provided to the MSRB pursuant to this Agreement, stating the date it was provided and listing all the entities to which it was provided.

(d) Failure to File Reports. If the District or the Obligated Persons fail to provide to the Trustee their respective portions of each Quarterly Report by the applicable Quarterly Report District Due Date, or if the District fails to provide to the Trustee the Annual Financial Report or the Annual Budget Report by the applicable Annual Financial Report District Due Date or Annual Budget District Due Date, as applicable, which results in the Trustee's inability to provide a Quarterly Report, Annual Financial Report, or Annual Budget Report to the MSRB by the applicable Quarterly Report Filing Date, Annual Financial Report Filing Date, or Annual Budget Report Filing Date, the Trustee shall file or cause to be filed a notice in substantially the form attached as Appendix C with the MSRB. If the Trustee files or causes to be filed a notice in

substantially the form attached as Appendix C with the MSRB, the Trustee shall submit a copy of such filing to the District and the Obligated Persons, as follows:

To the District:	Northfield Metropolitan District No. 2 c/o District Resource, LLC 1927 Wilmington Drive, Suite 101 Fort Collins, CO 80547
with a copy to:	White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado, 80122
To the Obligated Persons:	DFC Northfield, LLC 14701 Philips Highway, Suite 300 Jacksonville, FL 32256 Telephone: 904.441.0877 Attention: Chris Butler Email: chris.butler@dfcapitalmanagement.com Northfield Land, LLC 6341 Fairgrounds Avenue, Suite 100 Windsor, CO 80550 Attention: Jason Sherrill Telephone: 720.938.8090 Email: jsherill@mylandmarkhomes.net

(e) Means of Transmitting Information. Subject to technical and economic feasibility, the District and the Obligated Persons shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events.

Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) The failure or refusal by the District to impose the Senior Required Mill Levy or to collect and apply the other components of the Senior Pledged Revenue as required by the Senior Indenture;

(b) The failure or refusal by the District to impose or collect the Subordinate Required Mill Levy or to collect and apply the other components of the Subordinate Pledged Revenue as required by the Subordinate Indenture;

(c) Any other Event of Default (as defined in each of the Indentures), *if material*, including a description of such Event of Default;

(d) Draws under the Reserve Fund under the Senior Indenture;

(e) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS From 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(f) Modifications to rights of Bond owners, *if material*;

(g) Bond calls and tender offers;

(h) Defeasances;

(i) Bankruptcy, insolvency, receivership or similar event of the District;[1]

(j) The consolidation of the District with another Colorado special district or the dissolution of the District; and

(k) Appointment of a successor or additional trustee or the change of name of a trustee, *if material.*

Section 5. Additional Obligated Persons. If the Obligated Persons, or any one of them, sells, assigns or otherwise transfers ownership of developable (i.e., property not conveyed to a third-party end user) real property in the Development to a third party, such party which will in turn be an obligated person for purposes of this Agreement as a result thereof (a "Transfer"), the Obligated Persons hereby agree to require such third party to comply with the disclosure obligations of the Obligated Persons hereunder to the extent of such transfer for so long as such third party is an obligated person hereunder, to the same extent as if such third party were a party to this Agreement. The Obligated Persons, or any of them, involved in such Transfer shall promptly notify the Issuer and the Trustee in writing of the Transfer. For purposes of this Agreement, the term "Obligated Persons" shall be deemed to include the Obligated Persons and any third party that becomes an obligated person hereunder as a result of a Transfer. In the event that the initial Obligated Persons, or any of them, remains an obligated person hereunder following any Transfer, nothing herein shall be construed to relieve such Obligated Persons, or any of them, from its obligations hereunder.

Section 6. Termination.

(a) The obligations of the Obligated Persons as to the information in Section 1 of each Quarterly Report shall terminate on the Annual Financial Report Conversion Date. Upon the occurrence of the Annual Financial Report Conversion Date, the Obligated Persons shall complete the Notice of Annual

[1] The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Financial Report Conversion Date attached hereto as Appendix D and provide such notice to the District and the Trustee within 10 days of the Annual Financial Report Conversion Date. The Trustee shall then file the Notice of Annual Financial Report Conversion Date with the MSRB within 10 days of receipt.

(b) The obligations of the District as to information in Sections 2 and 3 of each Quarterly Report or Annual Financial Report shall terminate with regard to the Senior Bonds at such time as none of the Senior Bonds are Outstanding under the Senior Indenture. The obligations of the District as to information in Sections 2 and 3 of each Quarterly Report or Annual Financial Report shall terminate with regard to the Subordinate Bonds at such time as none of the Subordinate Bonds are Outstanding under the Subordinate Indenture.

Section 7. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided by the Obligated Persons.

Section 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the majority of the Owners of the Bonds then Outstanding.

Section 9. Failure to Perform.

(a) Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indentures, and the rights and remedies provided by the Indentures upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder.

(b) If the Obligated Persons fail to comply with this Agreement, the District, within 10 business days of receipt of notice in substantially the form attached as Appendix C from the Trustee, shall be obligated to update Section 1 of Appendix A, but only to the extent such information is publicly available. Furthermore, if the Obligated Persons fail to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Obligated Persons to comply with their obligations hereunder.

Section 10. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 12. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 13. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Obligated Persons, the Trustee, the Underwriter, and the Beneficial Owners from time to time of the Bonds, shall create no rights in any other person or entity.

Section 14. Trustee's Duties; Removal or Resignation as Dissemination Agent. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its offers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or Report prepared by the District or the Obligated Persons pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 15. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16. Assignment. The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

This CONTINUING DISCLOSURE AGREEMENT is executed as of the date first set forth above.

NORTHFIELD METROPOLITAN DISTRICT NO. 2

By: _____
Authorized Representative

UMB BANK, n.a., as Trustee
By: _____
Authorized Representative

DFC NORTHFIELD, LLC,
a Florida limited liability company

By: _____
Authorized Representative

NORTHFIELD LAND, LLC,
a Colorado limited liability company

By: _____
Authorized Representative

APPENDIX A
(TO CONTINUING DISCLOSURE AGREEMENT)

FORM OF [QUARTERLY] [ANNUAL FINANCIAL] REPORT

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado

$5,810,000
Limited Tax General Obligation Bonds
Series 2020A

$865,000
Subordinate Limited Tax General Obligation Bonds
Series 2020B

Date of Report: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of December 2, 2020, by and among Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado (the "District"), DFC Northfield, LLC, a Florida limited liability company ("DFC Northfield"), Northfield Land, LLC, a Colorado limited liability company ("Northfield Land," and together with DFC Northfield, the "Obligated Persons"), and UMB Bank, n.a. Denver, Colorado, as trustee ("Trustee"), for the above captioned bonds (the "Bonds"). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Development Activity [Obligated Persons to complete; to be updated each quarter prior to the Annual Financial Report Conversion Date].

(a) For each Quarterly Report, the Obligated Persons shall update the below chart to show cumulative development activity completed through the last day of the quarterly reporting period:

	Residential Units	Completed/ Sold to Homeowners	Completed/ Not Sold to Homeowners	Under Construction and Under Contract	Under Construction and Not Under Contract	Vacant and Under Contract	Vacant and Not Under Contract
Owned by DFC Northfield	377	0	0	0	0	0	0
Owned by Landmark Homes	0	0	0	0	0	0	0
Owned by Dream Finders Homes	0	0	0	0	0	0	0
Totals:	377	0	0	0	0	0	0

(b) For each Quarterly Report, the Obligated Persons shall provide a brief narrative update as to the current status of the development of any commercial development within the District.

Section 2. Fund Balances [District to complete, based upon information received from the Trustee; to be updated each quarter on and prior to the Annual Financial Report Conversion Date, and to be updated annually after the Annual Financial Report Conversion Date].

The amount on deposit in each of the following funds for the Bonds is as set forth below:

(a) amount on deposit in the Senior Project Fund is $_____;

(b) amount on deposit in the Senior Bond Fund is $_____;

(c) amount on deposit in the Senior Reserve Fund is $_____;

(d) amount on deposit in the Senior Surplus Fund is $_____;

(e) amount on deposit in the Subordinate Project Fund is $_____; and

(f) amount on deposit in the Subordinate Bond Fund is $_____;

Section 3. Additional District Information to be Updated [District to complete; to be provided annually with the Quarterly Report or Annual Financial Report due to the Trustee on or before November 5].

(a) The District shall create and report the following in table format:

1. History of Assessed Valuations and Mill Levies for the District[(1)]
2. Property Tax Collections for the District[(1)]
3. Assessed Valuation of Classes of Property in the District[(1)]

(b) The District shall attach its Audited Annual Financial Statements for the previous year (20___)

[1] Due to the District's recent formation, these tables do not exist in the Limited Offering Memorandum. Such tables shall include the information indicated by their respective titles.

The information contained in this [Quarterly] [Annual Financial] Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this [Quarterly] [Annual Financial]Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this [Quarterly] [Annual Financial] Report by any person or entity shall create no obligation or liability of the District, the Obligated Persons or the Trustee.

The undersigned hereby certify, respectively, that they are authorized representatives of the District and the Obligated Persons, and further certify on behalf of the following entities that the information contained in the foregoing [Quarterly] [Annual Financial] Report [(for the Obligated Persons, with respect to Section 1 only, and] for the District, with respect to Sections 2 and 3 only) is, to their actual knowledge, true, accurate and complete. This [Quarterly] [Annual Financial] Report may be executed below on counterpart signature pages.

NORTHFIELD METROPOLITAN DISTRICT NO. 2

By: _____
Authorized Representative

DFC NORTHFIELD, LLC,
a Florida limited liability company

By: _____
_____Authorized Representative

NORTHFIELD LAND, LLC,
a Colorado limited liability company

By: _____
_____Authorized Representative

[Signature/Certification Page to [Quarterly] [Annual Financial]Report]

APPENDIX B
(TO CONTINUING DISCLOSURE AGREEMENT)

FORM OF ANNUAL BUDGET REPORT

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado

$5,810,000	**$865,000**
Limited Tax General Obligation Bonds	**Subordinate Limited Tax General Obligation Bonds**
Series 2020A	**Series 2020B**

Date of Report: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of December 2, 2020, by and among Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado (the "District"), DFC Northfield, LLC, a Florida limited liability company ("DFC Northfield"), Northfield Land, LLC, a Colorado limited liability company ("Northfield Land," and together with DFC Northfield, the "Obligated Persons"), and UMB Bank, n.a. Denver, Colorado, as trustee ("Trustee"), for the above captioned bonds (the "Bonds"). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Adopted Budget. Attached hereto is the annual budget for the District for the fiscal year ending December 31, 20__, adopted by the Board of Directors of the District on _____ __, 20__. Included in, or attached to, such budget is evidence of the certification by the District of the mill levies specified in Section 3 below.

Section 2. Assessed Value and Actual Value.

(a) *District Assessed Value*. The current assessed value of the District, as published or certified by the county assessor, is $_____, as certified as of December 10, 20__.

(b) *District Actual Value*. The current "actual value" of the District, as such term is used and published or certified by the county assessor, is $_____, as certified as of December 10, 20__.

Section 3. Mill Levies.

(a) *Mill Levy Certification*. The District certified a mill levy of _____ mills on _____ [insert date] to the county assessor, comprised of the following mills:

(i) ____ mills for debt service; and

(ii) ____ mills for operations.

The information contained in this Annual Budget Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in

this Annual Budget Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Annual Budget Report by any person or entity shall create no obligation or liability of the District or the Trustee.

The undersigned hereby certify, respectively, that he or she is the authorized representative of the District, and further certifies on behalf of the District that the information contained in the foregoing Annual Budget Report is, to their actual knowledge, true, accurate and complete.

NORTHFIELD METROPOLITAN DISTRICT NO. 2

By _____
Authorized Officer

APPENDIX C
(To Continuing Disclosure Agreement)

NOTICE OF FAILURE TO FILE REPORT

Name of Issuer:	Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado
Name of Bond Issue(s):	Northfield Metropolitan District No. 2, Limited Tax General Obligation Bonds, Series 2020A, in the original aggregate principal amount of $5,810,000; and Northfield Metropolitan District No. 2, Subordinate Limited Tax General Obligation Bonds, Series 2020B, in the original aggregate principal amount of $865,000 (together, the "Bonds")
CUSIPs:	666162 AA0; 666162 AB8
Date of Issuance:	December 2, 2020

NOTICE IS HEREBY GIVEN that (check as appropriate) [___] the District [___] the Obligated Persons [has/have] not provided a Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated November ___, 2020, between the District, the Obligated Persons and the Trustee.

The (check as appropriate) [___] District [___] Obligated Persons [anticipate/anticipates] that the Report will be filed by _____.

Dated: _____, 20____

UMB BANK, n.a., as Trustee

By: _____
Authorized Officer

APPENDIX D
(To Continuing Disclosure Agreement)

NOTICE OF ANNUAL FINANCIAL REPORT CONVERSION DATE

Name of Issuer:	Northfield Metropolitan District No. 2, In the City of Fort Collins, Larimer County, Colorado
Name of Bond Issue(s):	Northfield Metropolitan District No. 2, Limited Tax General Obligation Bonds, Series 2020A, in the original aggregate principal amount of $5,810,000; and Northfield Metropolitan District No. 2, Subordinate Limited Tax General Obligation Bonds, Series 2020B, in the original aggregate principal amount of $865,000 (together, the "Bonds")
CUSIPs:	666162 AA0; 666162 AB8
Date of Issuance:	December 2, 2020

NOTICE IS HEREBY GIVEN that the Annual Financial Report Conversion Date (as defined in the Continuing Disclosure Agreement dated November ___, 2020) occurred on _____, 20___. Pursuant to Sections 3(a)(1) and 5(a) of the Continuing Disclosure Agreement, the Obligated Persons and the District are no longer obligated to provide Quarterly Reports to the Trustee. The District remains obligated to provide an Annual Financial Report pursuant to Section 3(a)(2) of the Continuing Disclosure Agreement.

Dated: _____, 20____

DFC NORTHFIELD, LLC,
a Florida limited liability company

By: _____
Authorized Representative

NORTHFIELD LAND, LLC,
a Colorado limited liability company

By: _____
Authorized Representative

APPENDIX G

FORM OF SERIES 2020A SENIOR BONDS BOND COUNSEL OPINION

December 2, 2020

Northfield Metropolitan District No. 2
Fort Collins, Colorado

MBS Capital Markets, LLC
Tampa, Florida

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado
$5,810,000
Limited Tax General Obligation Bonds
Series 2020A

Ladies and Gentlemen:

We have acted as bond counsel to Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado (the "District"), in connection with the issuance of the District's $5,810,000 Limited Tax General Obligation Bonds, Series 2020A (the "Bonds"). The Bonds are authorized pursuant to an authorizing resolution of the Board of Directors of the District adopted on October 26, 2020 (the "Bond Resolution"), and are issued and secured pursuant to that certain Indenture of Trust (Senior) dated as of the date of issuance of the Bonds (the "Indenture"), by and between the District and UMB Bank, n.a., as trustee (the "Trustee"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms by the Indenture.

We have examined the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 5 and 6 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture, and other certifications of public officials of the District and others furnished to us without undertaking to verify the same by independent investigation. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photocopies.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Bonds are valid and binding revenue bonds of the District, payable solely from the Senior Pledged Revenue and from funds and accounts pledged therefor under the Indenture.

2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.

3. The Bond Resolution and, assuming the due execution of the Indenture by the Trustee, the Indenture constitute valid and binding obligations of the District, legally enforceable against the District in

accordance with their respective terms; provided, however, that no opinion is expressed herein as to the enforceability of Section 9.01(m) of the Indenture or any other provision pursuant to which the District purports to indemnify the Trustee or any other person.

4. The Indenture creates a valid lien on the Senior Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Senior Pledged Revenue or on the funds and accounts created by the Indenture.

5. Under the laws, regulations, rulings and judicial decisions existing on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence assumes the accuracy of certain representations of the District and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinion retroactive to the date of issuance of the Bonds. The District has covenanted in the Tax Compliance Certificate executed and delivered in connection with the issuance of the Bonds to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. The District has properly designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

6. Under State of Colorado statutes existing on the date hereof, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. We express no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

As bond counsel, we are passing only upon matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any offer or sale of the Bonds or upon any federal or Colorado tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds except those specifically addressed above.

The District is our sole client in this transaction and we have not been engaged by, nor have we undertaken to advise any other party or to opine as to matters not specifically covered herein. This opinion letter is solely for the benefit of the addressees hereof and may not be circulated, quoted or relied upon by any party other than the addressees without our prior written consent, except that a copy may be included in the closing transcripts for the Bonds. The inclusion of MBS Capital Markets, LLC as an addressee of this opinion letter does not create or imply an attorney-client relationship between Kutak Rock LLP and such party.

APPENDIX H

FORM OF SERIES 2020B SUBORDINATE BONDS BOND COUNSEL OPINION

December 2, 2020

Northfield Metropolitan District No. 2
Fort Collins, Colorado

MBS Capital Markets, LLC
Tampa, Florida

NORTHFIELD METROPOLITAN DISTRICT NO. 2
In the City of Fort Collins
Larimer County, Colorado
$865,000
Subordinate Limited Tax General Obligation Bonds
Series 2020B

Ladies and Gentlemen:

We have acted as bond counsel to Northfield Metropolitan District No. 2, in the City of Fort Collins, Larimer County, Colorado (the "District"), in connection with the issuance of the District's $865,000 Subordinate Limited Tax General Obligation Bonds, Series 2020B (the "Bonds"). The Bonds are authorized pursuant to an authorizing resolution of the Board of Directors of the District adopted on October 26, 2020 (the "Bond Resolution"), and are issued and secured pursuant to that certain Indenture of Trust (Subordinate) dated as of the date of issuance of the Bonds (the "Indenture"), by and between the District and UMB Bank, n.a., as trustee (the "Trustee"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms by the Indenture.

We have examined the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 5 and 6 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture, and other certifications of public officials of the District and others furnished to us without undertaking to verify the same by independent investigation. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photocopies.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Bonds are valid and binding revenue bonds of the District, payable solely from the Subordinate Pledged Revenue and from funds and accounts pledged therefor under the Indenture.

2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.

3. The Bond Resolution and, assuming the due execution of the Indenture by the Trustee, the Indenture constitute valid and binding obligations of the District, legally enforceable against the District in accordance with their respective terms; provided, however, that no opinion is expressed herein as to the enforceability of Section 9.01(m) of the Indenture or any other provision pursuant to which the District purports to indemnify the Trustee or any other person.

4. The Indenture creates a valid lien on the Subordinate Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Subordinate Pledged Revenue or on the funds and accounts created by the Indenture.

5. Under the laws, regulations, rulings and judicial decisions existing on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence assumes the accuracy of certain representations of the District and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinion retroactive to the date of issuance of the Bonds. The District has covenanted in the Tax Compliance Certificate executed and delivered in connection with the issuance of the Bonds to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. The District has properly designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

6. Under State of Colorado statutes existing on the date hereof, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. We express no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

As bond counsel, we are passing only upon matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any offer or sale of the Bonds or upon any federal or Colorado tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds except those specifically addressed above.

The District is our sole client in this transaction and we have not been engaged by, nor have we undertaken to advise any other party or to opine as to matters not specifically covered herein. This opinion letter is solely for the benefit of the addressees hereof and may not be circulated, quoted or relied upon by any party other than the addressees without our prior written consent, except that a copy may be included in the closing transcripts for the Bonds. The inclusion of MBS Capital Markets, LLC as an addressee of this opinion letter does not create or imply an attorney-client relationship between Kutak Rock LLP and such party.

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