



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

April 24, 2017

Ms. Dianne Miller
Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202

RE: Independence Metropolitan Districts

Dear Ms. Miller:

George K. Baum & Company prepared the financial plan for the proposed Independence Metropolitan Districts which shows that the Districts can support the debt shown in the plan. We have based this analysis on information provided to us by the developer among other things, and have not independently verified that information. We believe the assumptions are reasonable and are based on current market conditions and standard practices.

Our financial plan included in the service plan follows the proposed development schedule to illustrate how the financing of public improvements mirrors the development plan. The development progress results in revenues that can support financing in two series of bond issues scheduled for 2020 and 2021.

The following assumptions are included in the financial plan:

1. Assessed Valuation multiplied by mill levy (55 mills for DS, 10 mills for O&M) equals property taxes
2. Property Taxes multiplied by 7% equals specific ownership taxes
3. Residential development of 920 homes
4. Bond proceeds equal to the amount received through issuance of bonds less associated fees
5. Residential development fees of \$6,500 per residential dwelling unit, subject to adjustment and inflation.
6. Two bond issues in 2021 and 2023 with additional subsequent issuances if necessary. The bonds are assumed to have a final maturity of 30 years.
7. Operating expenses estimated as shown in financial plan
8. An overlay park and recreation and covenant enforcement district will provide those services through an operational mill levy and fees but with no power to impose debt.
9. Ending cash available equals total annual income minus total annual expenses

If George K. Baum & Company can be of any additional assistance, please do not hesitate to contact me at 303.391.5503.

Sincerely,

GEORGE K. BAUM & COMPANY

Alan T. Matlosz
Senior Vice President
Colorado Public Finance