

LEADERS IN INFRASTRUCTURE

FINANCE

D.A. DAVIDSON & CO.  
SPECIAL DISTRICT GROUP

WILDWING METROPOLITAN DISTRICT NO. 5  
2018 BONDS SUMMARY & 2023 REFUNDING OPPORTUNITY

# WILDWING METROPOLITAN DISTRICT NO. 5

## Overview of Outstanding Limited Tax General Obligation Bonds, Series 2018



	2018A	2018B
Par at Issuance	\$11,220,000	\$1,707,000
Principal Outstanding	\$11,030,000	\$1,707,000
Coupon	5.375%	7.625%
Maturity Date	12/1/2048	12/15/2048
Call Feature	Any Date @ 103%	Any Date @ 103%
Required Mill Levy	38.500 mills (subject to adjustment)	
2024 Debt Service Mill Levy	45.513 mills (adjusted)	

### NEW ISSUE BOOK-ENTRY ONLY

NOT RATED

*In the opinion of Ballard Spahr LLP, Denver, Colorado, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not a preference item for purposes of the individual federal alternative minimum tax; however, interest paid to certain corporate holders of the Bonds indirectly may be subject to alternative minimum tax under circumstances described under "TAX MATTERS" herein. Bond Counsel is also of the opinion that to the extent that interest on the Bonds is excludable from gross income for federal income tax purposes, interest on the Bonds is excludable from gross income for State of Colorado income tax purposes and from the calculation of State of Colorado alternative minimum taxable income. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.*

**\$11,220,000**  
**WILDWING METROPOLITAN DISTRICT NO. 5**  
**(IN THE TOWN OF TIMNATH, COLORADO)**  
**LIMITED TAX GENERAL OBLIGATION**  
**REFUNDING AND IMPROVEMENT BONDS**  
**SERIES 2018A**

**\$1,707,000**  
**WILDWING METROPOLITAN DISTRICT NO. 5**  
**(IN THE TOWN OF TIMNATH, COLORADO)**  
**SUBORDINATE LIMITED TAX**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2018B**

The Wildwing Metropolitan District No. 5 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A (the "2018A Senior Bonds") are issued as fully registered bonds in denominations of \$500,000, or any multiple of \$1,000 in excess thereof, pursuant to the 2018A Senior Indenture (all capitalized terms are defined herein). The Wildwing Metropolitan District No. 5 Subordinate Limited Tax General Obligation Bonds, Series 2018B (the "2018B Subordinate Bonds," and together with the 2018A Senior Bonds, the "Bonds") are issued as fully registered bonds in denominations of \$500,000 or any integral multiple of \$1,000 in excess thereof, pursuant to the 2018B Subordinate Indenture. Purchases of the Bonds are to be made in book-entry form only through The Depository Trust Company, New York, New York. See "THE BONDS - Book-Entry Only System." The 2018A Senior Bonds bear interest at the rates set forth below, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018, to and including the maturity date(s) shown below, unless the 2018A Senior Bonds are redeemed earlier. The 2018B Subordinate Bonds bear interest at the rate set forth below, payable annually on December 15 of each year from available Subordinate Pledged Revenue, if any, commencing December 15, 2018, to and including the maturity date shown below, unless the 2018B Subordinate Bonds are redeemed earlier. See "THE 2018A SENIOR BONDS" and "THE 2018B SUBORDINATE BONDS." The Bonds are not obligations of the Town of Timnath, Larimer County, or the State of Colorado.

The 2018A Senior Bonds are limited tax general obligation bonds of the District secured by and payable from the Senior Pledged Revenue, consisting generally of the moneys derived by the District from the following sources, (all capitalized terms are defined herein): (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) all Capital Fees. The District and Wildwing Metropolitan Districts No. 2-4 (together with the District, the "Taxing Districts") have each covenanted to levy the Senior Required Mill Levy upon all taxable property of the applicable Taxing District each year, consisting of ad valorem property taxes subject to certain minimum and maximum limitations described herein. The 2018A Senior Bonds are also secured by the Senior Reserve Fund (which will be funded in the amount of \$904,643.76 on the date of issuance of the 2018A Senior Bonds) and by the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,122,000 (which will not be funded on the date of issuance of the 2018A Senior Bonds and is required to be funded with excess Senior Pledged Revenue, if any). See "SECURITY FOR THE 2018A SENIOR BONDS." Any amount of unpaid principal or interest on the 2018A Senior Bonds on December 1, 2056, shall be deemed discharged.

The 2018B Subordinate Bonds are subordinate limited tax general obligation bonds of the District secured by and payable from the Subordinate Pledged Revenue, consisting generally of the moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) all Subordinate Capital Fee Revenue. The Taxing Districts have covenanted to levy the Subordinate Required Mill Levy upon all taxable property of the applicable Taxing District each year, subject to a maximum mill levy described herein. The 2018B Subordinate Bonds are also structured as "cash flow" bonds, meaning that the 2018B Subordinate Indenture contains no scheduled payments of principal on the 2018B Subordinate Bonds other than at maturity. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Payment of principal and interest on the 2018B Subordinate Bonds is subordinate to the annual payment of debt service on the 2018A Senior Bonds, and according to the Financial Forecast attached hereto as Appendix B, no principal or interest on the 2018B Subordinate Bonds is expected to be paid in certain years. See "SECURITY FOR THE 2018B SUBORDINATE BONDS." Any amount of unpaid principal or interest on the 2018B Subordinate Bonds on December 15, 2056, shall be deemed discharged.

#### 2018A SENIOR BONDS MATURITY SCHEDULE

\$11,220,000 5.375% Term Bond Due December 1, 2048 - Price: 100% (CUSIP Number: 196813CAA6)

#### 2018B SUBORDINATE BONDS MATURITY SCHEDULE

\$1,707,000 7.625% Term Bond Due December 15, 2048 - Price: 100% (CUSIP Number: 196813AB4)

Dated: Date of Delivery

**REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO A HIGH DEGREE OF INVESTMENT RISK, PARTICULARLY THE 2018B SUBORDINATE BONDS. THE BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS AND ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" AS DEFINED IN SECTION 2-4-105(6.5), COLORADO REVISED STATUTES. REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS DEPENDENT UPON CONTINUED DEVELOPMENT WITHIN THE TAXING DISTRICTS AND CONTINUED INCREASES IN THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TAXING DISTRICTS, NEITHER OF WHICH MAY OCCUR.**

The 2018A Senior Bonds are subject to redemption prior to maturity at the option of the District and are subject to mandatory sinking fund redemption as described in "THE 2018A SENIOR BONDS - Redemption." The 2018B Subordinate Bonds are subject to redemption prior to maturity at the option of the District and are subject to mandatory redemption as described in "THE 2018B SUBORDINATE BONDS - Redemption."

The proceeds of the 2018A Senior Bonds will be used for the purpose of (i) paying or reimbursing the Developer for, or otherwise financing, the cost of public improvements; (ii) refunding the 2015 Loans (defined herein); (iii) funding capitalized interest; (iv) funding the Senior Reserve Fund; and (v) paying the cost of issuance of the Bonds. The proceeds of the 2018B Subordinate Bonds will be used for the purpose of paying or reimbursing the Developer for, or otherwise financing, the cost of public improvements. See "USES OF PROCEEDS."

**This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors should read this entire Limited Offering Memorandum to obtain information essential to making an informed investment decision, and should give particular attention to the section entitled "RISK FACTORS."**

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter and subject to the approval of legality of the Bonds by Ballard Spahr LLP, Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard LLC, Denver, Colorado, has acted as counsel to the Underwriter. Certain legal matters will be passed upon for the District by its general counsel, Spencer Fane LLP, Denver, Colorado. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 31, 2018.



**DAVIDSON**  
 D.A. Davidson & Co. member SIPC

**This Limited Offering Memorandum is dated May 23, 2018.**

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# WILDWING METROPOLITAN DISTRICT NO. 5

## Summary of 2024 Refunding Bond Results (Market Rates as of 2.5.2024)



Wildwing MD No. 5 Refunding Summary – February 2024	
Investment Grade Rating and Bond Insurance	
<b>Overview</b>	New 30-year, fixed-rate bonds that refund outstanding debt and settle amounts owned to developer (assumes investment-grade rating and bond insurance)
<b>Closing Date</b>	March 2024
<b>Estimated Principal</b>	\$16.595mm
<b>Developer Reimbursements</b>	<b>\$4.500mm</b>
<b>Estimated PV Savings</b>	\$10.075mm (50.7%)
<b>Estimated Tax-Exempt Rate (TIC)<sup>1</sup></b>	4.531%
<b>Final Maturity</b>	December 1, 2053
<b>Pledged Revenues</b>	50 Mills (adjusted)
<b>Estimated Debt Service Mill Levy (Collection Year 2025)</b>	~36.6 mills
<b>Estimated Operations Mill Levy (Collection Year 2025)</b>	~19.1 mills, generating ~\$532,00 in operations funding from mill levy revenue
<b>Total Mill Levy (Collection Year 2025)</b>	~55.664 mills (adjusted)
<b>Call Protection</b>	Market standard of 10-years of call protection
<b>Comments</b>	<ul style="list-style-type: none"> <li>- The transaction reduces mills necessary to pay debt service, generating more dollars for operations under the Districts’ mill levy caps</li> <li>- Immediately reduces O&amp;M Fee on residents and allows Districts to eliminate it in the near-term</li> <li>- Should interest rates fall between now and pricing, the District could further decrease mills necessary to pay debt service and increase funding for O&amp;M through the operations mill levy</li> <li>- Upon issuance of the 2024 Bonds, this will be the only outstanding general obligation debt of the community</li> <li>- Debt service mills calculated based on an assumed 1% annual growth in home values and a \$55,000 market value adjustment for 345 homes in 2024, based on SB23B-001</li> </ul>

<sup>1</sup> Based on market conditions the week of February 5, 2024; remain subject to change. D.A. makes no commitment to underwrite at these levels.

<sup>2</sup> Based on 2% biennial reassessment (1% annual inflation in assessed value).



WILDWING METROPOLITAN DISTRICT NO. 5  
 Operations Detail: 2024 Refunding Bond Outcomes



Wildwing MD No. 5 Refunding Summary – February 2024									
Collection Year 2024	<p style="text-align: center;"><i>2024 Required Debt Service Mill Levy of Approximately 47.5 Mills (Average) Across Districts                      (approximately \$1.18mm of revenue)</i></p> <p style="text-align: center;"><u>2024 Operations Budgeted Revenue</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Operations (Mill Levy) (Average 14.2 Mills)</td> <td style="text-align: right;">\$ 374,729</td> </tr> <tr> <td><b>Operations (Fees)</b></td> <td style="text-align: right;"><b>\$ 352,000</b></td> </tr> <tr> <td>Interest Income</td> <td style="text-align: right;"><u>\$ 15,000</u></td> </tr> <tr> <td><i>Total Budgeted Operations Revenue</i></td> <td style="text-align: right;"><i>\$ 741,729</i></td> </tr> </table>	Operations (Mill Levy) (Average 14.2 Mills)	\$ 374,729	<b>Operations (Fees)</b>	<b>\$ 352,000</b>	Interest Income	<u>\$ 15,000</u>	<i>Total Budgeted Operations Revenue</i>	<i>\$ 741,729</i>
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<i>Total Budgeted Operations Revenue</i>	<i>\$ 741,729</i>								
Collection Year 2025	<p style="text-align: center;"><i>2025 Refunding Debt Service Mill Levy of Approximately 36.6 Mills Across Districts                      (approximately \$1.02mm of revenue)</i></p> <p style="text-align: center;"><u>2025 Operations Revenue (Using 2024 Budgeted Revenue)</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Operations (Mill Levy) (Average 19.1 Mills)</td> <td style="text-align: right;">\$ 531,566</td> </tr> <tr> <td><b>Operations (Fees)</b></td> <td style="text-align: right;"><b>\$ 195,163</b></td> </tr> <tr> <td>Interest Income</td> <td style="text-align: right;"><u>\$ 15,000</u></td> </tr> <tr> <td><i>Total Budgeted Operations Revenue</i></td> <td style="text-align: right;"><i>\$ 741,729</i></td> </tr> </table> <p style="text-align: center;"><b>WILDWING CAN REDUCE ITS OPERATIONS FEES BY ~\$150,000 IN YEAR 2025 AND                      ACHIEVE THE SAME OPERATIONS REVENUE AS IN 2024</b></p>	Operations (Mill Levy) (Average 19.1 Mills)	\$ 531,566	<b>Operations (Fees)</b>	<b>\$ 195,163</b>	Interest Income	<u>\$ 15,000</u>	<i>Total Budgeted Operations Revenue</i>	<i>\$ 741,729</i>
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<sup>1</sup> Based on market conditions the week of February 5, 2024; remain subject to change. D.A. makes no commitment to underwrite at these levels.

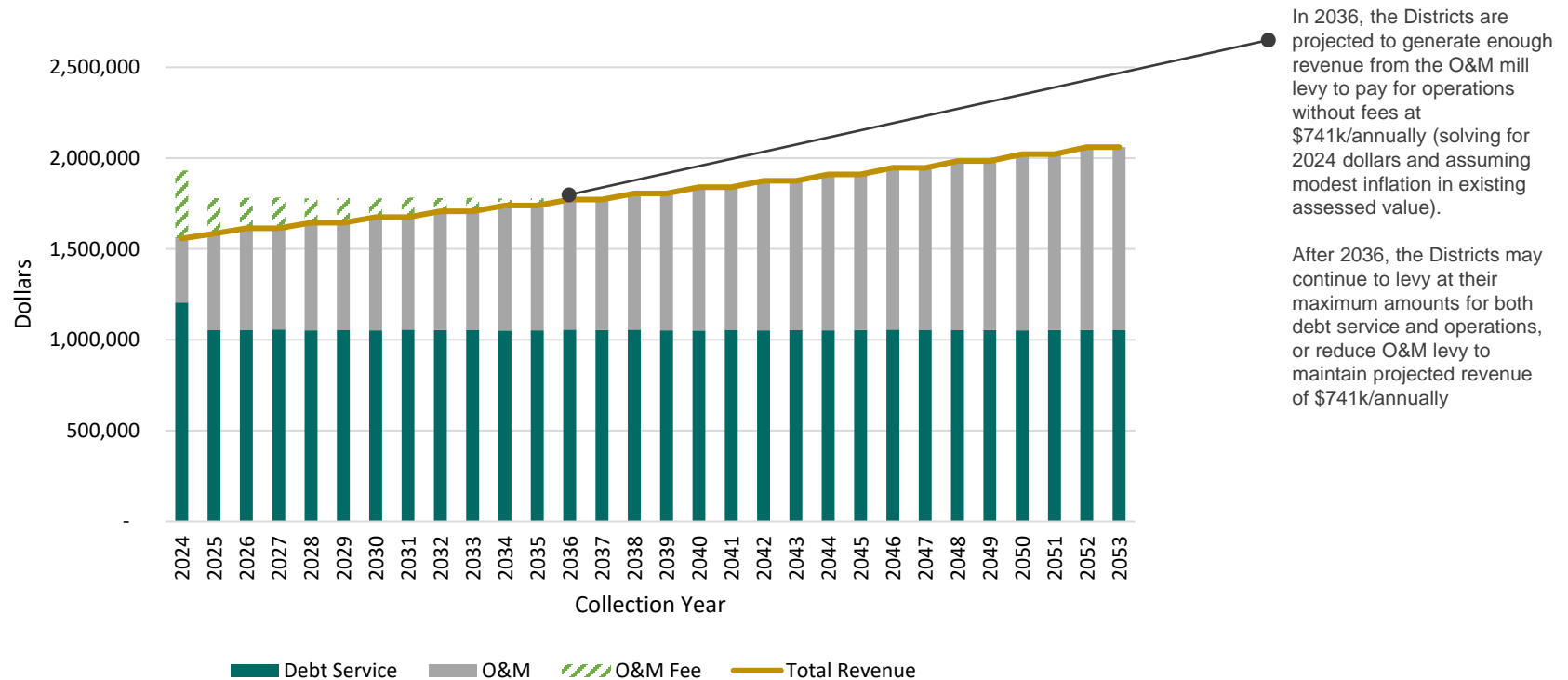
<sup>2</sup> Based on 2% biennial reassessment (1% annual inflation in assessed value).



## WILDWING METROPOLITAN DISTRICT NO. 5

### Debt Service, Operations Revenue, and Mill Levy Comparison

- Based on the existing tax base of the Wildwing Community, the Series 2024 Bonds will provide the Districts the opportunity to significantly reduce the O&M Fee currently used to supplement operations costs due to increased revenues generated from O&M mills
- Assuming the Districts maintain the 2024 budgeted operations revenue (~\$741k), the Districts are projected to be able to eliminate the O&M Fee entirely by 2036
- Should rates fall or assessed values within the Districts continue to grow, elimination of the O&M Fees could potentially occur sooner





## Disclosures by D.A. Davidson & Co. as Underwriter or Placement Agent pursuant to MSRB Rules G-17 and G-23

D.A. Davidson & Co. (“Davidson”) is providing certain disclosures to Wildwing Metropolitan District No. 5 (the “Issuer”), as required by the Municipal Securities Rulemaking Board (MSRB) Rules G-17 & G-23, regarding our potential role, duties and interests as the underwriter or placement agent for the upcoming General Obligation Refunding Bonds (the “Bonds”).

Davidson intends to serve as underwriter or placement agent (in either case, the “underwriter”), and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. Once engaged as underwriter, as part of our services to the Issuer, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. However, Davidson is not acting as an advisor to the Issuer and does not owe the Issuer a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information accompanying this disclosure letter. Furthermore, at this time Davidson is not recommending any action to the Issuer in connection with the proposed issuance of the Bonds.

As underwriter, Davidson’s primary role will be to purchase as principal, or arrange for the placement of, the Bonds in a commercial arm’s-length transaction with the Issuer. Davidson has financial and other interests that differ from those of the Issuer. MSRB Rule G-17 requires Davidson to deal fairly at all times with both municipal issuers and investors. Unlike a municipal advisor, Davidson does not have a fiduciary duty to the Issuer under federal securities laws and therefore is not required by federal law to act in the best interests of the Issuer without regard to our own financial or other interests. The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction. Davidson has a duty to purchase Bonds from the Issuer at a fair and reasonable price, but must balance that duty with the duty to sell the Bonds to investors at prices that are fair and reasonable. Davidson will review any official statement for the Bonds in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

We suggest you discuss this letter and any accompanying materials with any and all internal or external advisors or experts such as your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.