



H.J. Umbaugh & Associates
925 Dora Lane • Suite 1
P.O. Box 697
Plymouth, IN 46563-0697
Phone: 574-935-5178
Fax: 574-935-5928
Website: www.hju.com

September 3, 2009

Board of Directors
Damon Run Conservancy District
Post Office Box 472
Valparaiso, Indiana 46384

RE: Damon Run Conservancy District – 2010 Financial Plan

The attached schedules (listed below) present unaudited and limited financial information for the purpose of discussion and consideration by appropriate officers and officials of the Damon Run Conservancy District. The use of these schedules should be restricted to this purpose as the information is subject to future revision and further reports.

Page 2	Schedule of Amortization of \$6,500,000 Principal Amount of Bond Anticipation Notes of 2005
Page 3	Schedule of Amortization of \$4,000,000 Principal Amount of Bond Anticipation Notes of 2006
Page 4	Schedule of Amortization of \$1,500,000 Principal Amount of Bond Anticipation Notes of 2006, Series A
Page 5	Summary of Estimated Sources and Uses of Funds
Page 6	Schedule of Amortization of \$12,200,000 Principal Amount of Proposed Conservancy District Bonds of 2010
Pages 7 – 10	Schedule of Financial Plan Assumptions
Pages 11 – 12	Estimated Cash Flows for the Debt Service Fund
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Page 15	Schedule of Estimated Debt Service Tax Rate – Residential Tax Bill
SUPPLEMENTAL DATA	
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We would appreciate your questions or comments on this information, and would provide additional information upon request.

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF AMORTIZATION OF \$6,500,000 PRINCIPAL
AMOUNT OF BOND ANTICIPATION NOTES OF 2005

Principal Payable, December 30, 2010
Interest Payable Semiannually, January 1st and July 1st
Interest Rate as Indicated
Dated Date: December 30, 2005

<u>Date</u>	<u>Principal Balance</u> (In Thousands)	<u>Debt Service</u>			<u>Total</u>	<u>Bond Year Total</u>
		<u>Principal</u>	<u>%</u>	<u>Interest</u>		
7/1/2009	\$ 6,500			\$ 170,073.46	\$ 170,073.46	
1/1/2010	6,500			174,416.67	174,416.67	\$ 344,490.13
7/1/2010	6,500			171,572.92	171,572.92	
12/30/2010	6,500	\$ 6,500	5.25%	173,468.75	6,673,468.75	6,845,041.67
Totals		\$ 6,500		\$ 689,531.80	\$ 7,189,531.80	\$ 7,189,531.80

Note: Interest calculation is based on 360 / Actual.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF AMORTIZATION OF \$4,000,000 PRINCIPAL
AMOUNT OF BOND ANTICIPATION NOTES OF 2006

Principal Payable, February 10, 2011
Interest Payable Semiannually, January 1st and July 1st
Interest Rate as Indicated
Dated Date: February 10, 2006

<u>Date</u>	<u>Principal Balance</u> (In Thousands)	<u>Debt Service</u>			<u>Bond Year Total</u>
		<u>Principal</u>	<u>%</u>	<u>Interest</u>	
7/1/2009	\$ 4,000			\$ 103,572.22	\$ 103,572.22
1/1/2010	4,000			105,288.89	\$ 208,861.11
7/1/2010	4,000			103,572.22	103,572.22
1/1/2011	4,000			105,288.89	208,861.11
2/10/2011	4,000	\$ 4,000	5.15%	23,461.11	4,023,461.11
Totals		\$ 4,000		\$ 441,183.33	\$ 4,441,183.33

Note: Interest calculation is based on 360 / Actual.

(Subject to the attached letter dated September 3, 2009)
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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF AMORTIZATION OF \$1,500,000 PRINCIPAL
AMOUNT OF BOND ANTICIPATION NOTES OF 2006, SERIES A

Principal Payable, December 28, 2011
Interest Payable Semiannually, January 1st and July 1st
Interest Rate as Indicated
Dated Date: December 28, 2006

<u>Date</u>	<u>Principal Balance</u> (In Thousands)	<u>Debt Service</u>			<u>Total</u>	<u>Bond Year Total</u>
		<u>Principal</u>	<u>%</u>	<u>Interest</u>		
7/1/2009	\$ 1,500			\$ 38,839.58	\$ 38,839.58	
1/1/2010	1,500			39,483.33	39,483.33	\$ 78,322.91
7/1/2010	1,500			38,839.58	38,839.58	
1/1/2011	1,500			39,483.33	39,483.33	78,322.91
7/1/2011	1,500			38,839.58	38,839.58	
12/28/2011	1,500	\$ 1,500	5.15%	38,839.58	1,538,839.58	1,577,679.16
Totals		\$ 1,500		\$ 234,324.98	\$ 1,734,324.98	\$ 1,734,324.98

Note: Interest calculation is based on 360 / Actual.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED SOURCES AND USES OF FUNDS

Estimated Uses of Funds:

Bond Anticipation Note of 2005	\$ 6,500,000
Bond Anticipation Note of 2006	4,000,000
Bond Anticipation Note of 2006, Series A	1,500,000
Issuance Costs	78,000
Underwriter's Discount - 1.0%	<u>122,000</u>
 Total estimated uses of funds	 <u>\$ 12,200,000</u>

Estimated Sources of Funds:

Proposed Conservancy District Bonds of 2010	<u>\$ 12,200,000</u>
 Total estimated sources of funds	 <u>\$ 12,200,000</u>

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF AMORTIZATION OF \$12,200,000 PRINCIPAL
AMOUNT OF PROPOSED CONSERVANCY DISTRICT BONDS OF 2010

Principal Payable Semiannually, January 1st and July 1st

Interest Payable Semiannually, January 1st and July 1st

Assumed Interest Rates as Indicated

Assumed Issuance Date - December 30, 2010

(Unaudited)

Date	Principal	Debt Service			Bond
	Balance	Principal	%	Interest	Year Total
	(--In Thousands--)				
7/1/2011	\$12,200	\$105	3.70	\$371,791.60	\$476,791.60
1/1/2012	12,095	110	4.10	367,795.00	477,795.00
7/1/2012	11,985	110	4.10	365,540.00	475,540.00
1/1/2013	11,875	115	4.45	363,285.00	478,285.00
7/1/2013	11,760	115	4.45	360,726.25	475,726.25
1/1/2014	11,645	120	4.80	358,167.50	478,167.50
7/1/2014	11,525	125	4.80	355,287.50	480,287.50
1/1/2015	11,400	125	5.00	352,287.50	477,287.50
7/1/2015	11,275	130	5.00	349,162.50	479,162.50
1/1/2016	11,145	130	5.20	345,912.50	475,912.50
7/1/2016	11,015	135	5.20	342,532.50	477,532.50
1/1/2017	10,880	140	5.35	339,022.50	479,022.50
7/1/2017	10,740	145	5.35	335,277.50	480,277.50
1/1/2018	10,595	145	5.45	331,398.75	476,398.75
7/1/2018	10,450	150	5.45	327,447.50	477,447.50
1/1/2019	10,300	155	5.60	323,360.00	478,360.00
7/1/2019	10,145	160	5.60	319,020.00	479,020.00
1/1/2020	9,985	165	5.65	314,540.00	479,540.00
7/1/2020	9,820	170	5.65	309,878.75	479,878.75
1/1/2021	9,650	175	5.75	305,076.25	480,076.25
7/1/2021	9,475	180	5.75	300,045.00	480,045.00
1/1/2022	9,295	185	5.85	294,870.00	479,870.00
7/1/2022	9,110	190	5.85	289,458.75	479,458.75
1/1/2023	8,920	195	5.90	283,901.25	478,901.25
7/1/2023	8,725	200	5.90	278,148.75	478,148.75
1/1/2024	8,525	205	6.00	272,248.75	477,248.75
7/1/2024	8,320	210	6.00	266,098.75	476,098.75
1/1/2025	8,110	220	6.10	259,798.75	479,798.75
7/1/2025	7,890	225	6.10	253,088.75	478,088.75
1/1/2026	7,665	230	6.15	246,226.25	476,226.25
7/1/2026	7,435	240	6.15	239,153.75	479,153.75
1/1/2027	7,195	245	6.20	231,773.75	476,773.75
7/1/2027	6,950	255	6.20	224,178.75	479,178.75
1/1/2028	6,695	260	6.25	216,273.75	476,273.75
7/1/2028	6,435	270	6.25	208,148.75	478,148.75
1/1/2029	6,165	280	6.30	199,711.25	479,711.25
7/1/2029	5,885	285	6.30	190,891.25	475,891.25
1/1/2030	5,600	295	6.35	181,913.75	476,913.75
7/1/2030	5,305	305	6.35	172,547.50	477,547.50
1/1/2031	5,000	315	6.40	162,863.75	477,863.75
7/1/2031	4,685	325	6.40	152,783.75	477,783.75
1/1/2032	4,360	335	6.45	142,383.75	477,383.75
7/1/2032	4,025	345	6.45	131,580.00	476,580.00
1/1/2033	3,680	360	6.50	120,453.75	480,453.75
7/1/2033	3,320	370	6.50	108,753.75	478,753.75
1/1/2034	2,950	380	6.55	96,728.75	476,728.75
7/1/2034	2,570	395	6.55	84,283.75	479,283.75
1/1/2035	2,175	405	6.55	71,347.50	476,347.50
7/1/2035	1,770	420	6.55	58,083.75	478,083.75
1/1/2036	1,350	435	6.55	44,328.75	479,328.75
7/1/2036	915	450	6.55	30,082.50	480,082.50
1/1/2037	465	465	6.60	15,345.00	480,345.00
Totals		\$12,200		\$12,665,005.35	\$24,865,005.35

(Subject to the attached letter dated September 3, 2009)

(Preliminary - Subject to Change)

(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS

- (1) Estimated Cash Flows for Debt Service Fund – This schedule shows projected tax revenues and transfers from the District’s Water Utility and Sewage Works Operations Fund. The beginning fund balances, along with tax revenues and transfers from the Water Utility and Sewage Works, will be sufficient to pay debt service on the BANs and long-term debt.
- (2) Special District property taxes will be used to fund debt service on the BANs and Bonds. To the extent funding from user fees and connection fees are available, they will be used to reduce the amount of property taxes needed.
- (3) The District’s certified levy for the Debt Service Fund for pay 2008 was \$228,802. Through June 30, 2009 the District had received \$168,416 in property tax revenues, leaving a balance to be collected of \$60,386.

Note: The \$440,000 estimated property tax receipt for the July 1, 2009 through December 31, 2009 period is based on the pay 2009 budget submitted by the District to the DLGF. As of the date of this report, the pay 2009 levy had not been certified.

- (4) Per the Sanitary Sewer Service and the Water Utility Agreement between the Damon Run Conservancy District and Duneland School Corp. entered into on July 17, 2009. Per the Agreement, Liberty Intermediate School will pay an annual fee (payable monthly) in lieu of being annexed into the District. This annual fee is based on proportionate tax bills for residential homeowners in the District and will fluctuate based on an ERU factor and average District tax bills assuming an assessed valuation for a single family home of \$225,000. The School’s initial annual fee will be \$50,000 calculated as follows:

Average tax bill for a single-family residence (pay 2008)	\$ 1,800
Times: Liberty Intermediate School calculated ERU’s	<u>x 27.7</u>
Total (\$50,000 rounded)	<u>\$ 49,860</u>

Note: For the July 1, 2009 through December 31, 2009 period, it is assumed the School pays three months of payments (connects in October). Beginning January 1, 2011 it is assumed the School’s payment fluctuates based on the estimated residential tax bill (presented on page 15) in proportion to the \$1,800 current tax bill.

- (5) Long-Term Debt – At the time the District’s 2005 BANs mature, the District will issue long-term bonds. It is anticipated the long-term bonds will be issued on December 30, 2010 in the amount of \$12,200,000 (\$12,000,000 BAN payoff and \$200,000 bond issuance cost and underwriter’s discount). Principal and interest on the long-term bonds is anticipated to be due semiannually on January 1 and July 1, beginning July 1, 2011. Interest rates are assumed at current Baa rates as of the date of this report plus 20 basis points. It is assumed payments are made on the date due, not in advance. The Bonds will mature over a period of 26 years.

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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

(Cont'd)

SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS

- (6) Interest Income – The District currently is not generating interest on its funds. For this reason, interest income is assumed at zero.
- (7) Bond Anticipation Notes – The outstanding BANs of \$12,000,000 have interest payments due semiannually on January 1 and July 1. It is assumed payments are made on the date due, not in advance. Payment of BAN interest is secured from the pledge of property tax revenues of the District. To the extent alternative funds are available to the District, the District will reduce its reliance on property taxes for the payment of BAN interest. Alternative funds include user fee revenues and connection fee revenues. The BAN principal shall be repaid from the proceeds of a long-term bond anticipated to be sold by the District on December 30, 2010.
- (8) Estimated Cash Flows from Water and Sewer Operations – The District currently assesses utility bills (see notes 9 and 10) and receives connection fee income (see note 12). It is anticipated that the revenues from these charges will be sufficient to fund the operations of the District and provide adequate cash flow to allow for the transfer of funds to the Debt Service Fund to assist in the payment of the BANs and long-term bonds.
- (9) Monthly Water Bills – The District is currently charging \$8.50 per month per equivalent residential connection plus the cost of purchased water from Indiana American Water. To help offset property tax rates it is assumed a rate increase will be implemented with January 2010 collections. It is assumed the average residential customer will use 6,000 gallons per month (IAW charge includes \$28.58 for water service and \$3.21 fire protection surcharge). Based on this assumed usage, the average water bill will be:

	<u>Current Rates</u>	<u>Increase 1/1/2010</u>
District charge	\$ 8.50	\$ 12.00
Indiana American Water charge*	<u>31.79</u>	<u>31.79</u>
Total monthly water bill	<u>\$ 40.29</u>	<u>\$ 43.79</u>

* Based on the IAW rates effective October 10, 2007. Note, IAW applied for a 28.06% rate increase to the IURC on April 30, 2009, which was not reflected in this report.

Because the Indiana American Water portion of the bill will remain with Indiana American Water, the estimated cash flow statements reflect only the District's portion of the water bill.

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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

(Cont'd)

SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS

(10) Monthly Sewer Bills – The District is currently charging \$8.50 per month per equivalent residential connection plus the cost of sewage treatment from the Portage Sewage Works. In order to pay for operations, as well as help offset property tax rates, it is assumed an increase to the District user charge will be implemented with January 2010 collections. Based on assumed usage levels of 6,000 gallons per equivalent residential connection, the average sewer bill will be:

	Current <u>Rates</u>	Increase <u>1/1/2010</u>
District charge	\$ 8.50	\$ 12.00
District flow charge (Portage treatment)	<u>31.32</u>	<u>31.32</u>
Total monthly sewer bill	<u>\$ 39.82</u>	<u>\$ 43.32</u>

(12) Sewer treatment is provided by the City of Portage Municipal Sewage Works at a treatment rate of \$23.50 per 4,500 gallons. For the period July 1, 2009 through December 31, 2010, sewage treatment is assumed at \$4,500 per month (per the 2010 budget provided by District management). Beginning January 1, 2011, it is assumed the flow per equivalent residential connection will be 6,000 gallons per month multiplied by the District's flow rate of \$5.22 per 1,000 gallons.

(13) Sewer Connection Fees – The District is currently collecting a connection charge from each property connecting to the District's sewer system of \$4,700. Of the \$4,700 collected, the District is passing \$2,200 on to the City of Portage as part of the Sewer Treatment Agreement and \$2,500 stays with the District. It is assumed all ERU's per the District's count on March 1, 2009 have already paid their connection fees.

(14) Water is provided by Indiana American Water. As part of the contract agreement with Indiana American Water and the District, Indiana American Water provides meter reading, billing, and collection services for water and sewer charges for the District. The District's cost for water purchased shall be billed directly to the District's customers by Indiana American Water.

(14) Annual operating, maintenance, and replacement costs beyond those expenses funded directly by Indiana American Water are based on the 2010 budget provided by District management. The expenses are assumed to increase 3% annually.

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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

(Cont'd)

SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS

(15) Properties served by the District are either in the District's existing boundaries or will be in the District's expanded boundaries based upon build-out estimates provided by the District and the District's engineer with the exception of Liberty Intermediate School who will not be annexed into the District. Construction completed by February 28 is assumed to be included in the District's assessed value and is used to calculate tax bills in June and December of the following year. The assessment assumptions are as follows:

- a. Single Family Equivalent Residential Property – Assumed at \$225,000 (per the District).
- b. Commercial Developments:

Keithley residence	\$ 300,000	(per the District)
Mallards Pointe	5,069,400	(per the District)
Pet Haven	196,400	(per the District)
Luke Oil #1	105,500	(per the District)
Luke Oil #2	633,100	(per the District)
Mishawaka One Stop	297,800	(per the District)
Liberty Intermediate School	(Not annexed into District)	
Porter Co. Hospital	75,000,000	(based on estimated construction costs – real property)

The estimated Net Assessed Valuations for the District are as follows (see Supplemental Data section for detail):

2009 pay 2010	\$ 49,216,064	(per est. AV at 3/1/2009 provided by District mgt.)
2010 pay 2011	54,268,064	
2011 pay 2012	66,478,064	
2012 pay 2013	120,886,064	
2013 pay 2014	168,034,064	
2014 pay 2015	176,065,064	
2015 pay 2016	182,815,064	
2016 pay 2017	190,240,064	

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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

ESTIMATED CASH FLOWS FOR THE DEBT SERVICE FUND

Note 1

Ref.		Jul. 1 -		Jan. 1 -		Jul. 1 -		Jan. 1 -		Jul. 1 -	
		Dec. 31, '09	Jan. 1 - Jun. 30, '10	Dec. 31, '10	Jan. 1 - Jun. 30, '11	Dec. 31, '11	Jan. 1 - Jun. 30, '12	Dec. 31, '12	Jan. 1 - Jun. 30, '13	Dec. 31, '13	Jul. 1 - Dec. 31, '13
Revenues:											
(2)(15)	Property Taxes	\$ 440,000	\$ 188,000	\$ 190,736	\$ 200,000	\$ 240,000	\$ 265,000	\$ 271,451			
(3)	2008 Property taxes	60,386	-	-	-	-	-	-			
(4)	Liberty Intermediate School Payment	12,500	25,000	25,000	25,334	25,334	25,222	25,222			
(1)	Transfers from W&S Operations	-	-	-	-	320,000	85,000	425,849			
(5)	2005 BAN*	56,807	-	-	-	-	-	-			
(6)	2010 Bonds	-	-	12,200,000	-	-	-	-			
	Interest Income	-	-	-	-	-	-	-			
	Total receipts	569,693	213,000	12,415,736	225,334	585,334	375,222	722,522			
Expenses:											
(7)	BAN Interest	312,485	319,189	487,453	144,772	105,000	110,000	110,000			
(5)	Bond Principal	-	-	-	-	371,792	367,795	365,540			
(5)	Bond Interest	-	-	-	-	-	-	-			
(5)	Issuance cost/underwriter's discount	-	-	200,000	-	-	-	-			
(7)	BAN Pay-off	-	-	12,000,000	-	-	-	-			
	Total disbursements	312,485	319,189	12,687,453	144,772	476,792	477,795	475,540			
	Increase (Decrease) in Cash	257,208	(106,189)	(271,717)	80,562	108,542	(102,573)	246,982			
	Beginning Cash Balances	265,470 **	522,678	416,489	144,772	225,334	333,876	231,303			
	Ending Cash Balances	\$ 522,678	\$ 416,489	\$ 144,772	\$ 225,334	\$ 333,876	\$ 231,303	\$ 478,285			

* Represents the amount of 2005 BAN proceeds left to be drawn down as of June 30, 2009 per the District.

** Based on the Debt Service Fund balance at June 30, 2009 per the District.

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DAMON RUII CONSERVANCY DISTRICT
Porter County, Indiana

ESTIMATED CASH FLOWS FOR THE DEBT SERVICE FUND (Cont'd)

Note 1

Ref.	Jan. 1 -		Jul. 1 -		Jan. 1 -		Jul. 1 -		Jan. 1 -		Jul. 1 -	
	Jun. 30, '13	Dec. 31, '13	Jun. 30, '14	Dec. 31, '14	Jun. 30, '15	Dec. 31, '15	Jun. 30, '16	Dec. 31, '16	Jun. 30, '16	Dec. 31, '16	Jun. 30, '16	Dec. 31, '16
Revenues:												
Property Taxes	(2)(15) \$	385,000	\$ 388,570	\$ 385,000	\$ 383,964	\$ 395,000	\$ 401,798	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
2008 Property taxes	(3)	-	-	-	-	-	-	-	-	-	-	-
Liberty Intermediate School Payment	(4)	20,000	20,000	14,306	14,306	14,139	14,139	13,681	13,681	13,681	13,681	13,681
Transfers from W&S Operations	(1)	63,000	77,324	80,000	80,000	65,000	65,000	65,000	65,000	65,000	65,000	70,000
2005 BAN*		-	-	-	-	-	-	-	-	-	-	-
2011 Bonds	(5)	-	-	-	-	-	-	-	-	-	-	-
Interest Income	(6)	-	-	-	-	-	-	-	-	-	-	-
Total receipts		<u>468,000</u>	<u>485,894</u>	<u>479,306</u>	<u>478,270</u>	<u>474,139</u>	<u>480,937</u>	<u>478,681</u>	<u>478,681</u>	<u>478,681</u>	<u>483,681</u>	
Expenses:												
BAN Interest	(7)	-	-	-	-	-	-	-	-	-	-	-
Bond Principal	(5)	115,000	115,000	120,000	125,000	125,000	130,000	130,000	130,000	130,000	135,000	
Bond Interest	(5)	363,285	360,726	358,168	355,288	352,288	349,163	345,913	345,913	342,533	342,533	
Insurance cost/underwriter's discount	(5)	-	-	-	-	-	-	-	-	-	-	
BAN Pay-off	(7)	-	-	-	-	-	-	-	-	-	-	
Total disbursements		<u>478,285</u>	<u>475,726</u>	<u>478,168</u>	<u>480,288</u>	<u>477,288</u>	<u>479,163</u>	<u>475,913</u>	<u>475,913</u>	<u>475,913</u>	<u>477,533</u>	
Increase (Decrease) in Cash		(10,285)	10,168	1,138	(2,018)	(3,149)	1,774	2,768	2,768	6,148		
Beginning Cash Balances		<u>478,285</u>	<u>468,000</u>	<u>478,168</u>	<u>479,306</u>	<u>477,288</u>	<u>474,139</u>	<u>475,913</u>	<u>475,913</u>	<u>478,681</u>		
Ending Cash Balances		<u>\$ 468,000</u>	<u>\$ 478,168</u>	<u>\$ 479,306</u>	<u>\$ 477,288</u>	<u>\$ 474,139</u>	<u>\$ 475,913</u>	<u>\$ 478,681</u>	<u>\$ 478,681</u>	<u>\$ 484,829</u>		

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

ESTIMATED CASH FLOWS FROM WATER AND SEWER OPERATIONS

Note 8

Ref.	Jul. 1 - Dec. 31, '09	Jan. 1 - Jun. 30, '10	Jul. 1 - Dec. 31, '10	Jan. 1 - Jun. 30, '11	Jul. 1 - Dec. 31, '11	Jan. 1 - Jun. 30, '12	Jul. 1 - Dec. 31, '12
Revenues:							
	\$ 14,221	\$ 22,562	\$ 24,374	\$ 27,014	\$ 29,930	\$ 32,558	\$ 45,698
(9) Water Receipts	14,221	22,562	24,374	27,014	29,930	32,558	45,698
(10) Sewer Receipts	27,000	27,000	27,000	27,591	85,967	93,515	131,256
(11) Sewer Receipts - Portage Pass-Through	30,000	85,000	90,000	155,000	167,500	95,000	447,500
(12) Sewer Connection fees	-	-	-	-	-	-	-
(6) Interest Income	-	-	-	-	-	-	-
Total receipts	<u>85,442</u>	<u>157,124</u>	<u>165,748</u>	<u>286,619</u>	<u>313,327</u>	<u>253,631</u>	<u>670,152</u>
Expenses:							
(13)(14) Water and Sewer Operations expense	69,198	69,198	69,198	71,274	71,274	73,412	73,412
(11) Sewer Treatment Charges	27,000	27,000	27,000	77,591	85,967	93,515	131,256
Total disbursements	<u>96,198</u>	<u>96,198</u>	<u>96,198</u>	<u>148,865</u>	<u>157,241</u>	<u>166,927</u>	<u>204,668</u>
Net Operating Income	(10,756)	60,926	69,550	137,754	156,086	86,704	465,484
Transfers to the Debt Service Fund	-	-	-	-	320,000	85,000	425,849
Increase (Decrease) in Cash	(10,756)	60,926	69,550	137,754	(163,914)	1,704	39,635
Beginning Cash Balances	7,667 *	(3,089)	57,837	127,387	265,141	101,227	102,931
Ending Cash Balances	<u>\$ (3,089)</u>	<u>\$ 57,837</u>	<u>\$ 127,387</u>	<u>\$ 265,141</u>	<u>\$ 101,227</u>	<u>\$ 102,931</u>	<u>\$ 142,566</u>

* Represents the balance on June 30, 2009 per the District.

(Continued on next page)

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

ESTIMATED CASH FLOWS FROM WATER AND SEWER OPERATIONS (Cont'd)

Note 8

Ref.	Jan. 1 -		Jul. 1 -		Jan. 1 -		Jul. 1 -		Jan. 1 -		Jul. 1 -	
	Jun. 30, '13	Dec. 31, '13	Jun. 30, '14	Dec. 31, '14	Jun. 30, '15	Dec. 31, '15	Jun. 30, '16	Dec. 31, '16	Jun. 30, '16	Dec. 31, '16	Jun. 30, '16	Dec. 31, '16
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(9)	47,102	48,338	49,694	50,666	51,854	52,826	54,074	55,238	54,074	55,238	54,074	55,238
(10)	47,102	48,338	49,694	50,666	51,854	52,826	54,074	55,238	54,074	55,238	54,074	55,238
(11)	135,289	138,839	142,733	145,525	148,937	151,729	155,314	158,657	155,314	158,657	155,314	158,657
(12)	45,000	50,000	37,500	37,500	37,500	37,500	50,000	42,500	50,000	42,500	50,000	42,500
(6)												
	<u>274,493</u>	<u>285,515</u>	<u>279,621</u>	<u>284,357</u>	<u>290,145</u>	<u>294,881</u>	<u>313,462</u>	<u>311,633</u>	<u>313,462</u>	<u>311,633</u>	<u>313,462</u>	<u>311,633</u>
Revenues:												
	Water Receipts											
	Sewer Receipts											
	Sewer Receipts - Portage Pass-Through											
	Sewer Connection fees											
	Interest Income											
	Total receipts											
Expenses:												
(13)(14)	Water Operations expense	75,614	75,614	77,882	77,882	80,218	80,218	82,625	82,625	82,625	82,625	82,625
(11)	Sewer Treatment Charges	135,289	138,839	142,733	145,525	148,937	151,729	155,314	155,314	158,657	155,314	158,657
	Total disbursements	<u>210,903</u>	<u>214,453</u>	<u>220,615</u>	<u>223,407</u>	<u>229,155</u>	<u>231,947</u>	<u>237,939</u>	<u>237,939</u>	<u>241,282</u>	<u>237,939</u>	<u>241,282</u>
	Net Operating Income	63,590	71,062	59,006	60,950	60,990	62,934	75,523	75,523	70,351	75,523	70,351
(1)	Transfers to the Debt Service Fund	63,000	77,324	80,000	80,000	65,000	65,000	65,000	65,000	70,000	65,000	70,000
	Increase (Decrease) in Cash	590	(6,262)	(20,994)	(19,050)	(4,010)	(2,066)	10,523	10,523	351	10,523	351
	Beginning Cash Balances	142,566	143,156	136,894	115,900	96,850	92,840	90,774	90,774	101,297	90,774	101,297
	Ending Cash Balances	<u>\$ 143,156</u>	<u>\$ 136,894</u>	<u>\$ 115,900</u>	<u>\$ 96,850</u>	<u>\$ 92,840</u>	<u>\$ 90,774</u>	<u>\$ 101,297</u>	<u>\$ 101,297</u>	<u>\$ 101,648</u>	<u>\$ 101,297</u>	<u>\$ 101,648</u>

(Subject to the attached letter dated September 3, 2009)
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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED DEBT SERVICE TAX RATE - RESIDENTIAL TAX BILL

	Pay						
	2010	2011	2012	2013	2014	2015	2016
Tax Dollars Generated							
June	\$ 188,000	\$ 200,000	\$ 265,000	\$ 385,000	\$ 385,000	\$ 395,000	\$ 400,000
Dec	190,736	240,000	271,451	388,570	383,964	401,798	400,000
Totals	378,736	440,000	536,451	773,570	768,964	796,798	800,000
District's Projected NAV	49,216,064 *	54,268,064	66,478,064	120,886,064	168,034,064	176,065,064	182,815,064
Estimated Tax Rate (per \$100)	\$ 0.7695	\$ 0.8108	\$ 0.8070	\$ 0.6399	\$ 0.4576	\$ 0.4526	\$ 0.4376
Estimated Residential Tax Bill (1)	\$ 1,731	\$ 1,824	\$ 1,816	\$ 1,440	\$ 1,030	\$ 1,018	\$ 985
Porter Co. Hospital (2)							
				\$ 239,963	\$ 343,200	\$ 339,450	\$ 328,200
Liberty Intermediate School (3)	\$ 50,000	\$ 50,667	\$ 50,444	\$ 40,000	\$ 28,611	\$ 28,278	\$ 27,361

* Based on estimated AV at March 1, 2009 (pay 2010 assessment deadline) provided by the District.

- (1) Assumed assessed valuation for a single family home is \$225,000 per the District.
- (2) Based on 50% assumed AV (\$37,500,000) for pay 2013 and 100% assumed AV (\$75,000,000) for pay 2014 through 2016.
- (3) Although the school is not being annexed into the District, the school will be paying a payment in lieu of taxes per the Agreement between the District and the School. The payment is based on proportionate tax bills for residential homeowners in the District and will fluctuate based on an ERU factor and average District tax bills assuming an assessed valuation for a single family home of \$225,000.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT

SUPPLEMENTAL DATA

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2009

	Estimated EDU's Per Month *											
	Jan 09 (1)	Feb (1)	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	83.0	83.0	83.0	83.0	83.0	83.0	83.0	84.0	84.0	85.0	85.0	86.0
Timberland	104.0	104.0	108.0	108.0	108.0	111.0	112.0	113.0	114.0	115.0	116.0	117.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St. Andrews	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liberty Intermediate School (2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.7	27.7	27.7
Porter Co. Hospital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	253.0	253.0	257.0	257.0	257.0	260.0	261.0	263.0	264.0	293.7	294.7	296.7

(1) Connections per District estimates as of March 1, 2009.

(2) Based on Liberty Intermediate School's agreement with the District signed July 17, 2009. The school is not included in the District's AV.

* Build out based on estimates provided by District management.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2010

	Estimated EDU's Per Month *											
	Jan 10	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	87.0	87.0	88.0	88.0	89.0	89.0	90.0	90.0	91.0	91.0	92.0	92.0
Timberland	118.0	119.0	120.0	121.0	122.0	123.0	124.0	125.0	126.0	127.0	128.0	129.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	3.0	6.0	9.0	11.0	13.0	15.0	17.0	19.0	21.0	24.0	27.0	30.0
St. Andrews	1.0	1.0	1.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	5.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	302.7	306.7	311.7	315.7	319.7	323.7	327.7	331.7	335.7	340.7	345.7	349.7

* Build out based on estimates provided by District management.

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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2011

	Estimated EDU's Per Month *											
	Jan 11	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	93.0	93.0	94.0	94.0	95.0	95.0	96.0	96.0	97.0	97.0	98.0	98.0
Timberland	131.0	133.0	135.0	137.0	139.0	141.0	143.0	145.0	147.0	149.0	151.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	33.0	36.0	39.0	41.0	43.0	45.0	47.0	49.0	51.0	54.0	57.0	60.0
St. Andrews	7.0	9.0	11.0	13.0	15.0	17.0	19.0	21.0	23.0	25.0	27.0	29.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	357.7	364.7	372.7	378.7	385.7	391.7	398.7	404.7	411.7	418.7	426.7	433.7

* Build out based on estimates provided by District management.

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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2012

	Estimated EDU's Per Month *											
	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	99.0	99.0	100.0	100.0	101.0	101.0	102.0	102.0	103.0	103.0	104.0	104.0
Timberland	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	63.0	66.0	69.0	71.0	73.0	75.0	77.0	79.0	81.0	84.0	87.0	90.0
St. Andrews	31.0	33.0	35.0	37.0	39.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	0.0	0.0	0.0	0.0	0.0	0.0	161.0	161.0	161.0	161.0	161.0	161.0
Total	439.7	444.7	450.7	454.7	459.7	463.7	627.7	629.7	632.7	635.7	639.7	642.7

* Build out based on estimates provided by District management.

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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2013

	Estimated EDU's Per Month *											
	Jan 13	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	105.0	105.0	106.0	106.0	107.0	107.0	108.0	108.0	109.0	110.0	111.0	112.0
Timberland	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	93.0	96.0	99.0	101.0	103.0	105.0	107.0	109.0	111.0	114.0	117.0	120.0
St. Andrews	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Total	646.7	649.7	653.7	655.7	658.7	660.7	663.7	665.7	668.7	672.7	676.7	680.7

* Build out based on estimates provided by District management.

(Subject to the attached letter dated September 3, 2009)
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DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2014

	Estimated EDU's Per Month *											
	Jan 14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
Timberland	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	123.0	126.0	129.0	131.0	133.0	135.0	137.0	139.0	141.0	144.0	147.0	150.0
St. Andrews	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Total	683.7	686.7	689.7	691.7	693.7	695.7	697.7	699.7	701.7	704.7	707.7	710.7

* Build out based on estimates provided by District management.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2015

	Estimated EDU's Per Month *											
	Jan 15	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
Timberland	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Mishawaka One Stop	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	153.0	156.0	159.0	161.0	163.0	165.0	167.0	169.0	171.0	174.0	177.0	180.0
St. Andrews	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Total	713.7	716.7	719.7	721.7	723.7	725.7	727.7	729.7	731.7	734.7	737.7	740.7

* Build out based on estimates provided by District management.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
(Internal Use Only)

DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana

SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2016

	Estimated EDU's Per Month *											
	Jan 16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
Timberland	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0	153.0
Mallards Pointe	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Keithley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pet Haven	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Pro Auto Care	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (160 acres)	183.0	186.0	189.0	192.0	195.0	197.0	199.0	202.0	205.0	208.0	211.0	214.0
St. Andrews	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Liberty Intermediate School	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7	27.7
Porter Co. Hospital	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Total	743.7	746.7	749.7	752.7	755.7	757.7	759.7	762.7	765.7	768.7	771.7	774.7

* Build out based on estimates provided by District management.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2009 FOR PAY 2010

Current Net Assessed Valuation (1)		\$ 49,216,064
Projected Growth (2)		
2009	New NAV	Total NAV
Jan		\$ 49,216,064
Feb		49,216,064
Mar	\$ 732,000	49,948,064
Apr	-	49,948,064
May	-	49,948,064
Jun	549,000	50,497,064
July	183,000	50,680,064
Aug	366,000	51,046,064
Sept	183,000	51,229,064
Oct	366,000	51,595,064
Nov	183,000	51,778,064
Dec	366,000	52,144,064

(1) Per estimated AV at March 1, 2009 (pay 2010 assessment deadline) provided by the District.

(2) Based on anticipated growth in ERUs assuming the following assessment values:
 Single Family Home @ \$225,000 assessed value per home
 Liberty Intermediate School will not be annexed into the District. Therefore, there
 is no AV for the School reflected above.

Note: Assessed values as of February 28th are the basis for establishing taxes
 for the following year.

(Subject to the attached letter dated September 3, 2009)
 (Preliminary - Subject to Change)
 (Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2010 FOR PAY 2011

Current Net Assessed Valuation		\$	52,144,064
Projected Growth (1)			
<u>2010</u>	<u>New NAV</u>		<u>Total NAV</u>
Jan	\$ 1,266,000	\$	53,410,064
Feb	858,000		54,268,064
Mar	1,041,000		55,309,064
Apr	858,000		56,167,064
May	816,000		56,983,064
Jun	858,000		57,841,064
July	816,000		58,657,064
Aug	858,000		59,515,064
Sept	816,000		60,331,064
Oct	1,083,000		61,414,064
Nov	1,041,000		62,455,064
Dec	858,000		63,313,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated September 3, 2009)
(Preliminary - Subject to Change)
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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2011 FOR PAY 2012

Current Net Assessed Valuation		\$	63,313,064
Projected Growth (1)			
<u>2011</u>	<u>New NAV</u>		<u>Total NAV</u>
Jan	\$ 1,674,000	\$	64,987,064
Feb	1,491,000		66,478,064
Mar	1,674,000		68,152,064
Apr	1,266,000		69,418,064
May	1,449,000		70,867,064
Jun	1,266,000		72,133,064
July	1,449,000		73,582,064
Aug	1,266,000		74,848,064
Sept	1,449,000		76,297,064
Oct	1,491,000		77,788,064
Nov	1,674,000		79,462,064
Dec	1,491,000		80,953,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated September 3, 2009)
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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2013 FOR PAY 2014

Current Net Assessed Valuation		\$	166,501,064
Projected Growth (1)			
<u>2013</u>	<u>New NAV</u>		<u>Total NAV</u>
Jan	\$ 858,000	\$	167,359,064
Feb	675,000		168,034,064
Mar	858,000		168,892,064
Apr	450,000		169,342,064
May	633,000		169,975,064
Jun	450,000		170,425,064
July	633,000		171,058,064
Aug	450,000		171,508,064
Sept	633,000		172,141,064
Oct	858,000		172,999,064
Nov	858,000		173,857,064
Dec	858,000		174,715,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated September 3, 2009)
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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2014 FOR PAY 2015

Current Net Assessed Valuation		\$	174,715,064
Projected Growth (1)			
<u>2014</u>	<u>New NAV</u>		<u>Total NAV</u>
Jan	\$ 675,000	\$	175,390,064
Feb	675,000		176,065,064
Mar	675,000		176,740,064
Apr	450,000		177,190,064
May	450,000		177,640,064
Jun	450,000		178,090,064
July	450,000		178,540,064
Aug	450,000		178,990,064
Sept	450,000		179,440,064
Oct	675,000		180,115,064
Nov	675,000		180,790,064
Dec	675,000		181,465,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated September 3, 2009)
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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2015 FOR PAY 2016

Current Net Assessed Valuation \$ 181,465,064

Projected Growth (1)

2015	New NAV	Total NAV
Jan	\$ 675,000	\$ 182,140,064
Feb	675,000	182,815,064
Mar	675,000	183,490,064
Apr	450,000	183,940,064
May	450,000	184,390,064
Jun	450,000	184,840,064
July	450,000	185,290,064
Aug	450,000	185,740,064
Sept	450,000	186,190,064
Oct	675,000	186,865,064
Nov	675,000	187,540,064
Dec	675,000	188,215,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

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**DAMON RUN CONSERVANCY DISTRICT
Porter County, Indiana**

SUMMARY OF ESTIMATED GROWTH IN NAV - 2016 FOR PAY 2017

Current Net Assessed Valuation \$ 188,215,064

Projected Growth (1)

2016	New NAV	Total NAV
Jan	\$ 1,350,000	\$ 189,565,064
Feb	675,000	190,240,064
Mar	675,000	190,915,064
Apr	675,000	191,590,064
May	675,000	192,265,064
Jun	450,000	192,715,064
July	675,000	193,390,064
Aug	675,000	194,065,064
Sept	675,000	194,740,064
Oct	675,000	195,415,064
Nov	675,000	196,090,064
Dec	675,000	196,765,064

(1) Based on anticipated growth in ERUs assuming the following assessment values:
Single Family Home @ \$225,000 assessed value per home

Note: Assessed values as of February 28th are the basis for establishing taxes
for the following year.

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