

It's all about experience.

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August 22, 2012

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

RE: Analysis of the District's Financial Plan

Dear Board Members:

In conjunction with the preparation of the District's 2013 budget, we have revisited the District's financial plan and have updated it. We worked with District management and the District's attorney in formulating the assumptions used in the updated plan. Please refer to pages 5 through 8 for a detailed description of the assumptions.

If there are any questions regarding the enclosed, please let us know.

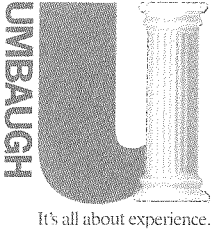
Very truly yours,

UMBAUGH

Eric J. Walsh

EJW/lbr

Enclosure: Report Dated August 22, 2012



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August 22, 2012

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

RE: Damon Run Conservancy District – 2013 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 \$11,995,000 Principal Amount of Outstanding Conservancy District Ad Valorem Special Benefits Property Tax Bonds of 2010, Series A  
Page 3 Schedule of Amortization of \$1,995,000 Principal Amount of Outstanding Conservancy District Ad Valorem Special Benefits Property Tax Bonds of 2010, Series B  
Page 4 Schedule of Combined Debt Service  
Pages 5 – 8 Schedule of Financial Plan Assumptions  
Pages 9 – 10 Estimated Cash Flows for the Debt Service Fund  
Pages 11 – 12 Estimated Cash Flows from Water and Sewer Operations  
Pages 13 – 14 Schedule of Estimated Debt Service Tax Rates

**SUPPLEMENTAL DATA**

Pages 15 – 20 Schedule of Estimated Monthly Equivalent Units  
Pages 21 – 26 Summary of Estimated Growth in NAV

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 \$11,995,000 PRINCIPAL AMOUNT OF CONSERVANCY DISTRICT AD VALOREM SPECIAL BENEFITS PROPERTY TAX BONDS OF 2010, SERIES A**

Principal Payable Semiannually, January 1st and July 1st

Interest Payable Semiannually, January 1st and July 1st

Interest Rates as Shown

Dated Date - December 14, 2010

(Unaudited)

Date	Principal Balance (---In Thousands---)	Debt Service			Bond Year Total	
		Principal	%	Interest		
				Total (-----In Dollars-----)		
1/1/2013	\$11,995	\$5	3.000	\$338,555.00	\$343,555.00	\$343,555.00
7/1/2013	11,990	220	3.000	338,480.00	558,480.00	
1/1/2014	11,770	225	3.500	335,180.00	560,180.00	1,118,660.00
7/1/2014	11,545	225	3.500	331,242.50	556,242.50	
1/1/2015	11,320	235	3.750	327,305.00	562,305.00	1,118,547.50
7/1/2015	11,085	240	3.750	322,898.75	562,898.75	
1/1/2016	10,845	240	4.000	318,398.75	558,398.75	1,121,297.50
7/1/2016	10,605	245	4.000	313,598.75	558,598.75	
1/1/2017	10,360	255	4.250	308,698.75	563,698.75	1,122,297.50
7/1/2017	10,105	255	4.250	303,280.00	558,280.00	
1/1/2018	9,850	265	4.500	297,861.25	562,861.25	1,121,141.25
7/1/2018	9,585	270	4.500	291,898.75	561,898.75	
1/1/2019	9,315	275	4.750	285,823.75	560,823.75	1,122,722.50
7/1/2019	9,040	280	4.750	279,292.50	559,292.50	
1/1/2020	8,760	285	5.000	272,642.50	557,642.50	1,116,935.00
7/1/2020	8,475	295	5.000	265,517.50	560,517.50	
1/1/2021	8,180	300	6.100	258,142.50	558,142.50	1,118,660.00
7/1/2021	7,880	310	6.100	248,992.50	558,992.50	
1/1/2022	7,570	320	6.100	239,537.50	559,537.50	1,118,530.00
7/1/2022	7,250	330	6.100	229,777.50	559,777.50	
1/1/2023	6,920	340	6.100	219,712.50	559,712.50	1,119,490.00
7/1/2023	6,580	350	6.100	209,342.50	559,342.50	
1/1/2024	6,230	360	6.100	198,667.50	558,667.50	1,118,010.00
7/1/2024	5,870	370	6.100	187,687.50	557,687.50	
1/1/2025	5,500	385	6.100	176,402.50	561,402.50	1,119,090.00
7/1/2025	5,115	395	6.100	164,660.00	559,660.00	
1/1/2026	4,720	405	6.375	152,612.50	557,612.50	1,117,272.50
7/1/2026	4,315	420	6.375	139,703.13	559,703.13	
1/1/2027	3,895	435	6.375	126,315.63	561,315.63	1,121,018.76
7/1/2027	3,460	450	6.500	112,450.00	562,450.00	
1/1/2028	3,010	460	6.500	97,825.00	557,825.00	1,120,275.00
7/1/2028	2,550	475	6.500	82,875.00	557,875.00	
1/1/2029	2,075	495	6.500	67,437.50	562,437.50	1,120,312.50
7/1/2029	1,580	510	6.500	51,350.00	561,350.00	
1/1/2030	1,070	525	6.500	34,775.00	559,775.00	1,121,125.00
7/1/2030	545	545	6.500	17,712.50	562,712.50	562,712.50
Totals		<u>\$11,995</u>		<u>\$7,946,652.51</u>	<u>\$19,941,652.51</u>	<u>\$19,941,652.51</u>

(Subject to the attached letter dated August 22, 2012)

(Preliminary - Subject to Change)

(Internal Use Only)

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

**SCHEDULE OF AMORTIZATION OF \$1,995,000 PRINCIPAL AMOUNT OF CONSERVANCY DISTRICT AD VALOREM SPECIAL BENEFITS PROPERTY TAX BONDS OF 2010, SERIES B**

Principal Payable Semiannually, January 1st and July 1st

Interest Payable Semiannually, January 1st and July 1st

Interest Rates as Shown

Dated Date - December 14, 2010

(Unaudited)

Date	Principal Balance	Debt Service			Total	Bond Year Total
		Principal	%	Interest		
	(---In Thousands---)				(-----In Dollars-----)	
1/1/2013	\$1,995	\$5	5.000	\$57,553.13	\$62,553.13	\$62,553.13
7/1/2013	1,990	35	5.000	57,428.13	92,428.13	
1/1/2014	1,955	35	5.000	56,553.13	91,553.13	183,981.26
7/1/2014	1,920	35	5.000	55,678.13	90,678.13	
1/1/2015	1,885	40	5.000	54,803.13	94,803.13	185,481.26
7/1/2015	1,845	40	5.000	53,803.13	93,803.13	
1/1/2016	1,805	40	5.000	52,803.13	92,803.13	186,606.26
7/1/2016	1,765	40	5.000	51,803.13	91,803.13	
1/1/2017	1,725	40	5.000	50,803.13	90,803.13	182,606.26
7/1/2017	1,685	40	5.000	49,803.13	89,803.13	
1/1/2018	1,645	45	5.000	48,803.13	93,803.13	183,606.26
7/1/2018	1,600	45	5.000	47,678.13	92,678.13	
1/1/2019	1,555	45	5.000	46,553.13	91,553.13	184,231.26
7/1/2019	1,510	45	5.000	45,428.13	90,428.13	
1/1/2020	1,465	50	5.000	44,303.13	94,303.13	184,731.26
7/1/2020	1,415	50	5.000	43,053.13	93,053.13	
1/1/2021	1,365	50	6.125	41,803.13	91,803.13	184,856.26
7/1/2021	1,315	50	6.125	40,271.88	90,271.88	
1/1/2022	1,265	55	6.125	38,740.63	93,740.63	184,012.51
7/1/2022	1,210	55	6.125	37,056.25	92,056.25	
1/1/2023	1,155	55	6.125	35,371.88	90,371.88	182,428.13
7/1/2023	1,100	60	6.125	33,687.50	93,687.50	
1/1/2024	1,040	60	6.125	31,850.00	91,850.00	185,537.50
7/1/2024	980	60	6.125	30,012.50	90,012.50	
1/1/2025	920	70	6.125	28,175.00	98,175.00	188,187.50
7/1/2025	850	65	6.125	26,031.25	91,031.25	
1/1/2026	785	70	6.125	24,040.63	94,040.63	185,071.88
7/1/2026	715	70	6.125	21,896.88	91,896.88	
1/1/2027	645	75	6.125	19,753.13	94,753.13	186,650.01
7/1/2027	570	75	6.125	17,456.25	92,456.25	
1/1/2028	495	75	6.125	15,159.38	90,159.38	182,615.63
7/1/2028	420	80	6.125	12,862.50	92,862.50	
1/1/2029	340	80	6.125	10,412.50	90,412.50	183,275.00
7/1/2029	260	85	6.125	7,962.50	92,962.50	
1/1/2030	175	85	6.125	5,359.38	90,359.38	183,321.88
7/1/2030	90	90	6.125	2,756.25	92,756.25	92,756.25
Totals		<u>\$1,995</u>		<u>\$1,297,509.50</u>	<u>\$3,292,509.50</u>	<u>\$3,292,509.50</u>

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

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

**SCHEDULE OF COMBINED DEBT SERVICE**

<u>Date</u>			<b>Bond Year</b>
			<b>Totals</b>
	<b>2010 Series A</b>	<b>2010 Series B</b>	
1/1/2013	\$343,555.00	\$62,553.13	\$406,108.13
7/1/2013	558,480.00	92,428.13	
1/1/2014	560,180.00	91,553.13	1,302,641.26
7/1/2014	556,242.50	90,678.13	
1/1/2015	562,305.00	94,803.13	1,304,028.76
7/1/2015	562,898.75	93,803.13	
1/1/2016	558,398.75	92,803.13	1,307,903.76
7/1/2016	558,598.75	91,803.13	
1/1/2017	563,698.75	90,803.13	1,304,903.76
7/1/2017	558,280.00	89,803.13	
1/1/2018	562,861.25	93,803.13	1,304,747.51
7/1/2018	561,898.75	92,678.13	
1/1/2019	560,823.75	91,553.13	1,306,953.76
7/1/2019	559,292.50	90,428.13	
1/1/2020	557,642.50	94,303.13	1,301,666.26
7/1/2020	560,517.50	93,053.13	
1/1/2021	558,142.50	91,803.13	1,303,516.26
7/1/2021	558,992.50	90,271.88	
1/1/2022	559,537.50	93,740.63	1,302,542.51
7/1/2022	559,777.50	92,056.25	
1/1/2023	559,712.50	90,371.88	1,301,918.13
7/1/2023	559,342.50	93,687.50	
1/1/2024	558,667.50	91,850.00	1,303,547.50
7/1/2024	557,687.50	90,012.50	
1/1/2025	561,402.50	98,175.00	1,307,277.50
7/1/2025	559,660.00	91,031.25	
1/1/2026	557,612.50	94,040.63	1,302,344.38
7/1/2026	559,703.13	91,896.88	
1/1/2027	561,315.63	94,753.13	1,307,668.77
7/1/2027	562,450.00	92,456.25	
1/1/2028	557,825.00	90,159.38	1,302,890.63
7/1/2028	557,875.00	92,862.50	
1/1/2029	562,437.50	90,412.50	1,303,587.50
7/1/2029	561,350.00	92,962.50	
1/1/2030	559,775.00	90,359.38	1,304,446.88
7/1/2030	562,712.50	92,756.25	655,468.75
<b>Totals</b>	<b>\$19,941,652.51</b>	<b>\$3,292,509.50</b>	<b>\$23,234,162.01</b>

(Subject to the attached letter dated August 22, 2012)  
(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 estimated 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 long-term debt.
- (2) Special benefits property taxes will be used to fund debt service on the Bonds. To the extent funding from user fees, Liberty School payments, Porter Hospital payments, medical office building payments and connection fees are available, they will be used to reduce the amount of property taxes needed.
- (3) Based on anticipated cash balances available within the Operation and Maintenance Fund.
- (4) Interest Income – The District currently is not generating interest on its funds. For this reason, interest income is assumed at zero.
- (5) Based on the repayment of the District’s outstanding debt. Principal and interest on the long-term bonds is due semiannually on January 1 and July 1, with payments made in the month prior to the date due (see pages 2 – 4).
- (6) Estimated Cash Flows from Water and Sewer Operations – The District currently assesses utility bills (see notes 7 and 8), receives connection fee income (see note 9), receives payments from Liberty Intermediate School in lieu of property taxes (see note 10) payments from Porter County Hospital in lieu of property taxes (see note 11) and anticipates payments from the medical office building in lieu of property taxes (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 payment of the long-term bonds.
- (7) Based on District EDUs and the District’s current monthly user fee per EDU as detailed below:  

Water - \$12.00  
Sewer - \$12.00

Note: Current District Customers who pay property tax bills, but are not yet connected to the water and sewer system include Mallard’s Park, Luke Oil #1, Luke Oil #2, Mishawaka One Stop, Morthland and Wallace. This study assumes these customers connect and begin paying user fees by July 2013.

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (8) Sewer treatment is provided by the City of Portage Municipal Sewage Works at a treatment rate of \$23.50 per 4,500 gallons (or \$5.22 per 1,000 gallons). For the period July 1, 2012 through December 31, 2013, sewage treatment is based on budgeted amounts, adjusted for the anticipated Hospital connection (per District management). Beginning January 1, 2014, it is assumed the flow per EDU will be 6,000 gallons per month (plus I/I of 10%) multiplied by the District's flow rate of \$5.22 per 1,000 gallons.
- (9) 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. At June 30, 2012 the District owed Portage \$13,200 for connection fees.
- (10) Per the Sanitary Sewer Service and the Water Utility Agreement between the Damon Run Conservancy District and Duneland School Corporation entered into on July 17, 2009. 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 for the preceding year and will fluctuate based on an EDU factor and average District residential tax bills. The School's EDU factor will fluctuate annually based on School flow in proportion to an average residential homeowner flow (assumed to be 310 GPD). The School's Pay 2013 fee is anticipated to be \$36,481 calculated as follows:

Average tax bill for a single-family residence (Pay 2012)	\$ 2,839
Times: Liberty Intermediate School calculated EDUs *	<u>x 12.85</u>
Total	<u>\$36,481</u>

* Liberty Intermediate School flow (March 2011 – February 2012)	1,454,000	gallons
Divided by: 365 days	<u>365</u>	
Liberty Intermediate School average gallons per day flow	3,983.56	GPD
Divided by: 310 GPD (assumed average residential flow)	<u>310</u>	GPD
Calculated Pay 2013 Liberty Intermediate School EDUs	<u>12.85</u>	

- (11) Per the Sanitary Sewer Service and the Water Utility Agreement between the Damon Run Conservancy District and Porter Hospital, LLC (dated October 7, 2010). Porter Hospital, LLC will pay an annual fee (payable semiannually on May 10 and November 10) in lieu of being annexed into the District. This annual fee is based on proportionate tax bills for residential homeowners in the District for the current year and will fluctuate based on an EDU factor and average District residential tax bills. The Hospital's Pay 2012 fee is anticipated to be \$411,655 calculated as follows:

Average tax bill for a single-family residence (pay 2012)	\$ 2,839
Times: Porter Hospital LLC estimated EDUs	<u>x 145.00</u>
Total	<u>\$411,655</u>

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

**(Cont.)**

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (12) It is assumed the medical office building (MOB) next to the Hospital will be connected in September 2012. It is also assumed the MOB will not be annexed into the District, but will pay a fee in lieu of being annexed into the District, structured similarly to that of the School and Hospital. This annual fee is based on proportionate tax bills for residential homeowners in the District for the preceding year and will fluctuate based on an EDU factor and average District residential tax bills. The MOB's Pay 2013 fee is anticipated to be \$8,517 calculated as follows:

Average tax bill for a single-family residence (pay 2012)	\$2,839
Times: MOB estimated EDUs	<u>x 3.00</u>
Total	<u>\$8,517</u>

- (13) Annual operating, maintenance, and replacement costs beyond those expenses funded directly by Indiana American Water (as the District's cost for water purchased is billed directly to the District's customers by Indiana American Water and therefore not shown in this report) are based on the 2013 budget provided by District management. The expenses are assumed to increase 3% annually.
- (14) \$5,000 payment on past due invoices is shown in the second six months of 2012, and \$15,000 annually for the years following, for illustrative purposes. Increases in these payments will result in increases in the estimated tax rate.
- (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 and Porter Hospital LLC, which 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).

Estimated Residential Growth per District:

2012 – 26 homes  
2013 – 34 homes  
2014 – 37 homes  
2015 – 36 homes  
2016 – 36 homes  
2017 – 36 homes

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

b. Non-Residential Property Assessed Values:

Mallards Points	\$5,864,600 (per the District)
Keithley residence	\$ 148,000 (per the District)
Pet Haven	\$ 195,500 (per the District)
Luke Oil #1 & #2	\$1,101,200 (per the District)
Mishawaka One Stop	\$ 297,600 (per the District)
Hospital Campus	\$ 47,900 (per the District)
Family Express	\$ 154,300 (per the District)
Liberty Intermediate School	(Not annexed into District)
Porter County Hospital	(Not annexed into District)
Medical Office Building	(Not annexed into District)

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

2012 pay 2013	\$ 81,152,000 (per est. AV at 3/1/2012 provided by District mgt.)
2013 pay 2014	\$ 86,960,000
2014 pay 2015	\$ 94,610,000
2015 pay 2016	\$103,568,000
2016 pay 2017	\$111,851,000
2017 pay 2018	\$120,134,000*

Note: This growth does not include potential developments like the Hospital Community.

\* Based on these estimates, remaining build-out available at December 31, 2017 is as follows:

Eagle Ridge	8
Timberland Farms (East)	35
St. Andrews	13

(Subject to the attached letter dated August 22, 2012)  
(Preliminary – Subject to Change)  
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**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FOR THE DEBT SERVICE FUND**

Note 1

Ref.	Jul. 1 - Dec. 31, '12	Jan. 1 - Jun. 30, '13	Jul. 1 - Dec. 31, '13	Jan. 1 - Jun. 30, '14	Jul. 1 - Dec. 31, '14	Jan. 1 - Jun. 30, '15
<b>Estimated Receipts:</b>						
(2)(15) Special Benefits Property Taxes	\$ 355,896	\$ 400,000	\$ 400,000	\$ 420,000	\$ 420,000	\$ 440,000
(3) Transfers from Operating Fund	400,000	200,000	200,000	185,000	185,000	175,000
(4) Interest Income	-	-	-	-	-	-
Total estimated receipts	<u>755,896</u>	<u>600,000</u>	<u>600,000</u>	<u>605,000</u>	<u>605,000</u>	<u>615,000</u>
<b>Estimated Disbursements:</b>						
(5) Bond Principal	10,000	255,000	260,000	260,000	275,000	280,000
(5) Bond Interest	396,108	395,908	391,733	386,921	382,108	376,702
Total estimated disbursements	<u>406,108</u>	<u>650,908</u>	<u>651,733</u>	<u>646,921</u>	<u>657,108</u>	<u>656,702</u>
Estimated Increase (Decrease) in Cash	349,788	(50,908)	(51,733)	(41,921)	(52,108)	(41,702)
Beginning Cash Balances	85,025 *	434,813	383,905	332,172	290,251	238,143
Estimated Ending Cash Balances	<u>\$ 434,813</u>	<u>\$ 383,905</u>	<u>\$ 332,172</u>	<u>\$ 290,251</u>	<u>\$ 238,143</u>	<u>\$ 196,441</u>
Debt Service Reserve Fund Balance	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>

\* Per the Damon Run Simplified Cash Journal as of June 30, 2012.

Note: District growth assumptions = 26 homes in 2012, 34 homes in 2013, 37 homes in 2014, 36 homes in 2015, 36 homes in 2016 and 36 homes in 2017 (refer to pages 15 - 20) as provided by District management.

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
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**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

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

Note 1

Ref.	Jul. 1 - Dec. 31, '15	Jan. 1 - Jun. 30, '16	Jul. 1 - Dec. 31, '16	Jan. 1 - Jun. 30, '17	Jul. 1 - Dec. 31, '17
Estimated Receipts:					
(2)(15) Special Benefits Property Taxes	\$ 440,000	\$ 460,000	\$ 460,000	\$ 490,000	\$ 490,000
(3) Transfers from Operating Fund	175,000	160,000	160,000	160,000	160,000
(4) Interest Income	-	-	-	-	-
Total estimated receipts	<u>615,000</u>	<u>620,000</u>	<u>620,000</u>	<u>650,000</u>	<u>650,000</u>
Estimated Disbursements:					
(5) Bond Principal	280,000	285,000	295,000	295,000	310,000
(5) Bond Interest	371,202	365,402	359,502	353,083	346,664
Total estimated disbursements	<u>651,202</u>	<u>650,402</u>	<u>654,502</u>	<u>648,083</u>	<u>656,664</u>
Estimated Increase (Decrease) in Cash	(36,202)	(30,402)	(34,502)	1,917	(6,664)
Beginning Cash Balances	196,441	160,239	129,837	95,335	97,252
Estimated Ending Cash Balances	<u>\$ 160,239</u>	<u>\$ 129,837</u>	<u>\$ 95,335</u>	<u>\$ 97,252</u>	<u>\$ 90,588</u>
Debt Service Reserve Fund Balance	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>

Note: District growth assumptions = 26 homes in 2012, 34 homes in 2013, 37 homes in 2014, 36 homes in 2015, 36 homes in 2016 and 36 homes in 2017 (refer to pages 15 - 20) as provided by District management.

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

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

**ESTIMATED CASH FLOWS FROM WATER AND SEWER OPERATIONS**

Note 6

Ref.	Jul. 1 - Dec. 31, '12	Jan. 1 - Jun. 30, '13	Jul. 1 - Dec. 31, '13	Jan. 1 - Jun. 30, '14	Jul. 1 - Dec. 31, '14	Jan. 1 - Jun. 30, '15
Estimated Receipts:						
Water Receipts	\$ 29,906	\$ 35,990	\$ 41,942	\$ 42,926	\$ 44,570	\$ 45,638
Sewer Receipts	29,906	35,990	41,942	42,926	44,570	45,638
Sewer Receipts (less 10% I/I)	85,500	108,000	108,000	112,038	116,329	119,116
District Sewer Connection fees (\$2,500)	37,500	40,000	45,000	42,500	50,000	37,500
Portage Sewer Connection fees (\$2,200)	33,000	35,200	39,600	37,400	44,000	33,000
Liberty Intermediate School Payment	18,241	18,241	18,241	16,905	186,905	179,945
Porter Co. Hospital Payment	205,826	190,748	190,748	186,905	186,905	179,945
Medical Office Building Payment	2,839	4,259	4,259	3,947	3,947	3,867
Interest Income	-	-	-	-	-	-
Total estimated receipts	<u>442,718</u>	<u>468,428</u>	<u>489,732</u>	<u>485,547</u>	<u>507,226</u>	<u>481,268</u>
Estimated Disbursements						
Water and Sewer Operations expense	138,582	138,582	138,582	142,739	142,739	147,021
Accounts payable	5,000	7,500	7,500	7,500	7,500	7,500
Portage Sewer Connection fees	46,200	35,200	39,600	37,400	44,000	33,000
Sewer Treatment Charges	95,000	120,000	120,000	123,294	128,016	131,084
Total estimated disbursements	<u>284,782</u>	<u>301,282</u>	<u>305,682</u>	<u>310,933</u>	<u>322,255</u>	<u>318,605</u>
Net Operating Receipts	157,936	167,146	184,050	174,614	184,971	162,663
Beginning Cash Balances	418,681 *	176,617	143,763	127,813	117,427	117,398
Subtotal	576,617	343,763	327,813	302,427	302,398	280,061
Less: Transfers to the Debt Service Fund (3)	400,000	200,000	200,000	185,000	185,000	175,000
Estimated Ending Cash Balances	<u>\$ 176,617</u>	<u>\$ 143,763</u>	<u>\$ 127,813</u>	<u>\$ 117,427</u>	<u>\$ 117,398</u>	<u>\$ 105,061</u>
Required reserve amount (2 months O&M)	<u>\$ 77,861</u>	<u>\$ 86,194</u>	<u>\$ 86,194</u>	<u>\$ 88,678</u>	<u>\$ 90,252</u>	<u>\$ 92,702</u>
Positive/(negative) variance	<u>\$ 98,756</u>	<u>\$ 57,569</u>	<u>\$ 41,619</u>	<u>\$ 28,749</u>	<u>\$ 27,146</u>	<u>\$ 12,359</u>

\* Per the Damon Run Simplified Cash Journal as of June 30, 2012.

Operating - \$386,867.57  
Permits - \$31,813.27

**Note: District growth assumptions = 26 homes in 2012, 34 homes in 2013, 37 homes in 2014, 36 homes in 2015, 36 homes in 2016 and 36 homes in 2017 (refer to pages 15 - 20) as provided by District management.**

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)

(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 6

Ref.	Jul. 1 - Dec. 31, '15	Jan. 1 - Jun. 30, '16	Jul. 1 - Dec. 31, '16	Jan. 1 - Jun. 30, '17	Jul. 1 - Dec. 31, '17
Estimated Receipts:					
Water Receipts	\$ 47,090	\$ 48,410	\$ 49,838	\$ 51,002	\$ 52,418
Sewer Receipts	47,090	48,410	49,838	51,002	52,418
District Sewer Connection fees (\$2,500)	122,906	126,351	130,078	133,116	136,812
Portage Sewer Connection fees (\$2,200)	52,500	47,500	42,500	45,000	45,000
Liberty Intermediate School Payment	46,200	41,800	37,400	39,600	39,600
Porter Co. Hospital Payment	16,564	15,947	15,947	15,228	15,228
Medical Office Building Payment	179,945	171,825	171,825	169,505	169,505
Interest Income	3,867	3,723	3,723	3,555	3,555
Total estimated receipts	<u>516,162</u>	<u>503,966</u>	<u>501,149</u>	<u>508,008</u>	<u>514,536</u>
Estimated Disbursements					
Water and Sewer Operations expense	147,021	151,432	151,432	155,975	155,975
Accounts payable	7,500	7,500	7,500	7,500	7,500
Portage Sewer Connection fees	46,200	41,800	37,400	39,600	39,600
Sewer Treatment Charges	135,254	139,045	143,147	146,490	150,557
Total estimated disbursements	<u>335,975</u>	<u>339,777</u>	<u>339,479</u>	<u>349,565</u>	<u>353,632</u>
Net Operating Receipts	180,187	164,189	161,670	158,443	160,904
Beginning Cash Balances	<u>105,061</u>	<u>110,248</u>	<u>114,437</u>	<u>116,107</u>	<u>114,550</u>
Subtotal	285,248	274,437	276,107	274,550	275,454
Less: Transfers to the Debt Service Fund	<u>175,000</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Estimated Ending Cash Balances	<u>\$ 110,248</u>	<u>\$ 114,437</u>	<u>\$ 116,107</u>	<u>\$ 114,550</u>	<u>\$ 115,454</u>
Required reserve amount (2 months O&M)	<u>\$ 94,092</u>	<u>\$ 96,826</u>	<u>\$ 98,193</u>	<u>\$ 100,822</u>	<u>\$ 102,177</u>
Positive/(negative) variance	<u>\$ 16,156</u>	<u>\$ 17,611</u>	<u>\$ 17,914</u>	<u>\$ 13,728</u>	<u>\$ 13,277</u>

**Note: District growth assumptions = 26 homes in 2012, 34 homes in 2013, 37 homes in 2014, 36 homes in 2015, 36 homes in 2016 and 36 homes in 2017 (refer to pages 15 - 20) as provided by District management.**

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

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

**SCHEDULE OF ESTIMATED DEBT SERVICE TAX RATES**

	PAY					
	2012	2013	2014	2015	2016	2017
Tax Dollars Generated						
June	\$ 411,746	\$ 400,000	\$ 420,000	\$ 440,000	\$ 460,000	\$ 490,000
Dec	355,896	400,000	420,000	440,000	460,000	490,000
Totals	<u>\$ 767,642</u>	<u>\$ 800,000</u>	<u>\$ 840,000</u>	<u>\$ 880,000</u>	<u>\$ 920,000</u>	<u>\$ 980,000</u>
District's Projected NAV	<u>\$ 72,153,600 *</u>	<u>\$ 81,152,000 **</u>	<u>\$ 86,960,000</u>	<u>\$ 94,610,000</u>	<u>\$ 103,568,000</u>	<u>\$ 111,851,000</u>
Estimated Tax Rate (per \$100)	<u>\$ 1.0639</u>	<u>\$ 0.9858</u>	<u>\$ 0.9660</u>	<u>\$ 0.9301</u>	<u>\$ 0.8883</u>	<u>\$ 0.8762</u>
Estimated Residential Tax Bill (1)	<u>\$ 2,839</u>	<u>\$ 2,631</u>	<u>\$ 2,578</u>	<u>\$ 2,482</u>	<u>\$ 2,370</u>	<u>\$ 2,338</u>
Estimated \$225,000 home tax bill	<u>\$ 2,394</u>	<u>\$ 2,218</u>	<u>\$ 2,174</u>	<u>\$ 2,093</u>	<u>\$ 1,999</u>	<u>\$ 1,971</u>
Liberty Intermediate School (2)	<u>\$ 47,068 (3)</u>	<u>\$ 36,481</u>	<u>\$ 33,809</u>	<u>\$ 33,128</u>	<u>\$ 31,894</u>	<u>\$ 30,455</u>
Porter Co. Hospital (4)	<u>\$ 411,655</u>	<u>\$ 381,495</u>	<u>\$ 373,810</u>	<u>\$ 359,890</u>	<u>\$ 343,650</u>	<u>\$ 339,010</u>
Medical Office Building (5)	<u>\$ 2,839</u>	<u>\$ 8,517</u>	<u>\$ 7,893</u>	<u>\$ 7,734</u>	<u>\$ 7,446</u>	<u>\$ 7,110</u>
District AV with Hospital Community (6)	<u>\$ 72,153,600</u>	<u>\$ 81,152,000</u>	<u>\$ 112,960,000</u>	<u>\$ 146,610,000</u>	<u>\$ 155,568,000</u>	<u>\$ 163,851,000</u>
Resulting Average Residential Tax Bill (1)	<u>\$ 2,839</u>	<u>\$ 2,631</u>	<u>\$ 1,984</u>	<u>\$ 1,602</u>	<u>\$ 1,578</u>	<u>\$ 1,596</u>

\* Per the certified Pay 2012 1782 notice.

\*\* Based on estimated AV at March 1, 2012 (pay 2013 assessment deadline) provided by the District.

(Continued on next page)

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

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

**SCHEDULE OF ESTIMATED DEBT SERVICE TAX RATES (CONT'D)**

- (1) Assumed assessed valuation for a single family home is \$266,845 per the District records for Pay 2012.
- (2) Although the school is not annexed into the District, the School makes a payment in lieu of tax per the agreement between the District and the School. The payment is based on proportionate tax bills for residential homeowners in the District for the preceding year and will fluctuate based on an EDU factor and average District residential tax bills. The baseline tax bill is the Pay 2012 residential tax bill of \$2,839 and estimated EDU's of 12.85.

Pay 2012 residential tax bill	\$ 2,839
Times: 12.85 EDUs	12.85
2013 payment	<u>\$ 36,481</u>

- (3) Assumes January and February monthly payments of \$8,333.32 and March-December monthly payments of \$3,040.11 per the annual payment calculation above.
- (4) Although the Hospital is not annexed into the District, the hospital makes a payment in lieu of tax per the agreement between the District and the Hospital. The payment is based on proportionate tax bills for residential homeowners in the District for the current year and will fluctuate based on an EDU factor and average District residential tax bills. The baseline tax bill is the Pay 2012 residential tax bill of approximately \$2,839 and estimated hospital EDU's of 145.

Pay 2012 residential tax bill	\$ 2,839
Times: 145 EDUs	145.00
2012 payment	<u>\$ 411,655</u>

- (5) Assumes the MOB is connected in September 2012 via a similar agreement to that of the School and Hospital. Estimated MOB EDU's are 3.

Pay 2012 residential tax bill	\$ 2,839
Times: 3 EDUs	3.00
2013 payment	<u>\$ 8,517</u>

- (6) Based on estimated additional assessed value to be provided by Hospital Community build-out. Includes assisted living, residential, mixed medical and commercial real estate. Current estimated total AV for this build-out is \$85,650,000. For conservative purposes we have used 60% of this estimate (\$52,000,000) for the calculation. The calculation above assumes 50% of the \$52,000,000 is complete for Pay 2014 taxes and 100% complete for Pay 2015 taxes (this estimate does not include estimated Hospital Community user fees).

**Note: District growth assumptions = 26 homes in 2012, 34 homes in 2013, 37 homes in 2014, 36 homes in 2015, 36 homes in 2016 and 36 homes in 2017 (refer to pages 15 - 20) as provided by District management.**

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
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**DAMON RUN CONSERVANCY DISTRICT**

**SUPPLEMENTAL DATA**



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

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2012**

	Estimated EDU's Per Month*											
	Jan 12 (1)	Feb (1)	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
	97.0	97.0	97.0	97.0	98.0	98.0	98.0	99.0	99.0	99.0	99.0	99.0
Eagle Ridge	97.0	97.0	97.0	97.0	98.0	98.0	98.0	99.0	99.0	99.0	99.0	99.0
Timberland	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0
Mallards Pointe	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Luke Oil #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mishawaka One Stop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Timberland Farms (West)	34.0	34.0	34.0	37.0	41.0	46.0	50.0	51.0	52.0	53.0	54.0	55.0
Timberland Farms (East)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0
St. Andrews	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0
Medical Office Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0
<b>Total</b>	<b>318.7</b>	<b>318.7</b>	<b>318.7</b>	<b>321.7</b>	<b>327.7</b>	<b>332.7</b>	<b>336.7</b>	<b>338.7</b>	<b>341.7</b>	<b>490.7</b>	<b>491.7</b>	<b>492.7</b>

(1) Connections per District estimates as of March 1, 2012 via email dated 7/27/12.  
\* Build-out based on estimates provided by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**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	99.0	99.0	99.0	99.0	99.0	99.0	100.0	100.0	100.0	100.0	100.0	100.0
Timberland	151.0	151.0	151.0	152.0	152.0	152.0	152.0	152.0	152.0	152.0	152.0	152.0
Mallards Pointe	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Luke Oil #2	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
Mishawaka One Stop	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Timberland Farms (West)	55.0	55.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Timberland Farms (East)	2.0	2.0	5.0	8.0	11.0	13.0	15.0	17.0	19.0	24.0	26.0	28.0
St. Andrews	3.0	3.0	4.0	4.0	5.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Medical Office Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>492.7</b>	<b>492.7</b>	<b>497.7</b>	<b>501.7</b>	<b>505.7</b>	<b>508.7</b>	<b>514.7</b>	<b>517.7</b>	<b>519.7</b>	<b>525.7</b>	<b>527.7</b>	<b>529.7</b>

\* Build-out based on estimates proved by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**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	100.0	100.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Timberland	152.0	152.0	152.0	152.0	152.0	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	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
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 (West)	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Timberland Farms (East)	28.0	28.0	30.0	32.0	35.0	39.0	42.0	46.0	51.0	54.0	56.0	58.0
St. Andrews	8.0	8.0	9.0	10.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Medical Office Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>589.7</b>	<b>589.7</b>	<b>593.7</b>	<b>596.7</b>	<b>600.7</b>	<b>606.7</b>	<b>609.7</b>	<b>613.7</b>	<b>618.7</b>	<b>621.7</b>	<b>623.7</b>	<b>626.7</b>

\* Built-out based on estimates proved by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(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	101.0	101.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0
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	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
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 (West)	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Timberland Farms (East)	58.0	61.0	62.0	64.0	67.0	69.0	72.0	75.0	78.0	82.0	85.0	88.0
St. Andrews	13.0	13.0	14.0	14.0	14.0	16.0	16.0	17.0	17.0	18.0	18.0	18.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Medical Office Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>626.7</b>	<b>629.7</b>	<b>632.7</b>	<b>634.7</b>	<b>637.7</b>	<b>641.7</b>	<b>644.7</b>	<b>648.7</b>	<b>651.7</b>	<b>656.7</b>	<b>659.7</b>	<b>662.7</b>

\* Build-out based on estimates proved by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(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	102.0	102.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0
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	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
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 (West)	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Timberland Farms (East)	89.0	92.0	95.0	95.0	99.0	102.0	103.0	107.0	111.0	114.0	116.0	118.0
St. Andrews	18.0	18.0	19.0	20.0	21.0	22.0	23.0	23.0	23.0	23.0	23.0	23.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Medical Office Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>663.7</b>	<b>666.7</b>	<b>671.7</b>	<b>672.7</b>	<b>677.7</b>	<b>681.7</b>	<b>683.7</b>	<b>687.7</b>	<b>691.7</b>	<b>694.7</b>	<b>696.7</b>	<b>698.7</b>

\* Build-out based on estimates proved by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
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**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2017**

	Estimated EDU's Per Month*											
	Jan 16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge	103.0	103.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	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	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
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 (West)	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Timberland Farms (East)	120.0	123.0	123.0	127.0	128.0	131.0	134.0	137.0	140.0	143.0	146.0	148.0
St. Andrews	23.0	23.0	24.0	25.0	26.0	27.0	28.0	28.0	28.0	28.0	28.0	28.0
Bromley	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Campus	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fritz	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Morthland	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wallace	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Medical Office Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>700.7</b>	<b>703.7</b>	<b>705.7</b>	<b>710.7</b>	<b>712.7</b>	<b>716.7</b>	<b>720.7</b>	<b>723.7</b>	<b>726.7</b>	<b>729.7</b>	<b>732.7</b>	<b>734.7</b>

\* Build-out based on estimates proved by District Management via email dated 8/3/12.

(Subject to the attached letter dated August 22, 2012)  
(Preliminary - Subject to Change)  
(Internal Use Only)

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

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2012 FOR PAY 2013**

Projected Growth (1)

<u>2012</u>	<u>New NAV</u>	<u>Total NAV</u>
Jan	\$ -	\$ 81,152,000
Feb	-	<b>81,152,000</b> (2)
Mar	-	81,152,000
Apr	675,000	81,827,000
May	1,308,000	83,135,000
Jun	1,125,000	84,260,000
July	900,000	85,160,000
Aug	450,000	85,610,000
Sept	675,000	86,285,000
Oct	225,000	86,510,000
Nov	225,000	86,735,000
Dec	225,000	86,960,000

(1) Based on anticipated growth in EDU's assuming the following assessment values:

Single Family Home @ \$225,000 AV per home

Vacant land @ \$42,000 per lot

(2) Per NAV at March 1, 2012 (pay 2013 assessment deadline) provided by the District via email dated 7/27/12.

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

(Subject to the attached letter dated August 22, 2012)

(Preliminary - Subject to Change)

(Internal Use Only)

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

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2013 FOR PAY 2014**

Current Net Assessed Valuation		\$	86,960,000
Projected Growth (1)			
<b><u>2013</u></b>	<b><u>New NAV</u></b>		<b><u>Total NAV</u></b>
Jan	\$ -	\$	86,960,000
Feb	-		<b>86,960,000</b>
Mar	1,125,000		88,085,000
Apr	900,000		88,985,000
May	900,000		89,885,000
Jun	675,000		90,560,000
July	675,000		91,235,000
Aug	675,000		91,910,000
Sept	450,000		92,360,000
Oct	1,350,000		93,710,000
Nov	450,000		94,160,000
Dec	450,000		94,610,000

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

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

(Subject to the attached letter dated August 22, 2012)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)



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

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2014 FOR PAY 2015**

Current Net Assessed Valuation		\$	94,610,000
Projected Growth (1)			
<b><u>2014</u></b>	<b><u>New</u></b>		<b><u>Total</u></b>
	<b><u>NAV</u></b>		<b><u>NAV</u></b>
Jan	\$ -	\$	94,610,000
Feb	-		<b>94,610,000</b>
Mar	858,000		95,468,000
Apr	675,000		96,143,000
May	900,000		97,043,000
Jun	1,350,000		98,393,000
July	675,000		99,068,000
Aug	900,000		99,968,000
Sept	1,125,000		101,093,000
Oct	675,000		101,768,000
Nov	450,000		102,218,000
Dec	675,000		102,893,000

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

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

(Subject to the attached letter dated August 22, 2012)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)

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

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2015 FOR PAY 2016**

Current Net Assessed Valuation		\$	102,893,000
Projected Growth (1)			
<b>2015</b>	<b>New NAV</b>		<b>Total NAV</b>
Jan	\$ -	\$	102,893,000
Feb	675,000		<b>103,568,000</b>
Mar	633,000		104,201,000
Apr	450,000		104,651,000
May	675,000		105,326,000
Jun	900,000		106,226,000
July	675,000		106,901,000
Aug	900,000		107,801,000
Sept	675,000		108,476,000
Oct	1,125,000		109,601,000
Nov	675,000		110,276,000
Dec	675,000		110,951,000

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

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

(Subject to the attached letter dated August 22, 2012)  
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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		\$	110,951,000
Projected Growth (1)			
<b><u>2016</u></b>		<b><u>New NAV</u></b>	<b><u>Total NAV</u></b>
Jan	\$	225,000	\$ 111,176,000
Feb		675,000	<b>111,851,000</b>
Mar		1,083,000	112,934,000
Apr		225,000	113,159,000
May		1,125,000	114,284,000
Jun		900,000	115,184,000
July		450,000	115,634,000
Aug		900,000	116,534,000
Sept		900,000	117,434,000
Oct		675,000	118,109,000
Nov		450,000	118,559,000
Dec		450,000	119,009,000

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

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

(Subject to the attached letter dated August 22, 2012)  
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 (Internal Use Only)

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

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2017 FOR PAY 2018**

Current Net Assessed Valuation		\$	119,009,000
Projected Growth (1)			
<b><u>2017</u></b>	<b><u>New NAV</u></b>		<b><u>Total NAV</u></b>
Jan	\$ 450,000	\$	119,459,000
Feb	675,000		<b>120,134,000</b>
Mar	408,000		120,542,000
Apr	1,125,000		121,667,000
May	450,000		122,117,000
Jun	900,000		123,017,000
July	900,000		123,917,000
Aug	675,000		124,592,000
Sept	675,000		125,267,000
Oct	675,000		125,942,000
Nov	675,000		126,617,000
Dec	450,000		127,067,000

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

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

(Subject to the attached letter dated August 22, 2012)  
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