

1032.1201

**SERVICE PLAN
FOR
VERONA ESTATES METROPOLITAN DISTRICT NOS. 1 & 2
CITY OF CENTENNIAL, COLORADO**

Prepared

By

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~~September 25, 2006~~

Per J. Julka this is Service Plan
on file with DLG, approved by City Council
on September 6, 2006

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I. INTRODUCTION

A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the District Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of the District Improvements.

The Districts are further authorized under the provisions of this Service Plan for operations and maintenance of all District Improvements that are not dedicated to, accepted by or otherwise conveyed to the City or another public entity, including but not necessarily limited to, public rights of ways, parking decks and landscaping or other amenities of the Project. All such operational activities of the Districts shall be conducted in the manner most appropriate and necessary to facilitate the Project as a first class commercial development.

District No. 1 is proposed to be the Operating District, and is expected to coordinate the financing, construction, operations and maintenance of all Public Improvements. District No. 2 is proposed to be the Taxing District, which is proposed to encompass residential development. The Operating District will be responsible for managing the construction and operation of facilities and Public Improvements for the Project as well as coordinating the financing and management of the public facilities and services as approved by the City throughout the Development. The Taxing District will be responsible for producing property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the Public Improvements, until such obligations are discharged, creating mutual benefits for Verona Estates and the City.

Various agreements are expected to be executed by the Districts as necessary to clarify the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community which will be both an aesthetic and economic asset to the City. Additionally, an intergovernmental agreement between the Districts will be entered into setting forth how the two entities will work together to provide long-term operations and maintenance of all facilities, and how they will work in tandem with the City to streamline the review and approval of each phase of development within Verona Estates.

The establishment of Verona Estates Metropolitan District No. 1 as Operating District which will own and operate the public facilities throughout Verona Estates, and the establishment of Verona Estates Metropolitan Districts No. 2 as Taxing District which will generate the tax revenue sufficient to pay the costs of the capital improvements and maintenance, will create several benefits for the inhabitants of the community and Centennial. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements, and delivery of those improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of Verona Estates through

proper management of the financing and operation of public improvements; and (c) assured compliance with state laws regarding taxation in a manner which permits the issuance of tax exempt debt at the most favorable interest rates possible.

The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts, and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Verona Estates Metropolitan Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District.

B. Need for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the District Improvements required for the Project to be financed, constructed and provided in the most economic manner possible.

C. Objective of the City Regarding Districts Service Plan.

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the District Improvements from the proceeds of Debt to be issued by the Districts. All Debt issued by the Districts may be repaid by property taxes imposed and collected at a tax mill levy no higher than the Maximum Debt Mill Levy, and/or repaid by Fees.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the District Improvements associated with development and regional needs. Operational activities are allowed to be undertaken by the Districts for all District Improvements that are not dedicated to, accepted by or otherwise conveyed to the City or another public entity. It is currently anticipated that all private streets, storm drainage, parks, open space, trails and public landscaping within the Service Area shall be operated and maintained by the Districts. It is also currently anticipated that water and sanitary sewer service shall be obtained through contract with Southgate Water District and Southgate Sanitation District respectively.

The Districts shall fund operations and maintenance activities from legally available revenues, inclusive of mill levy revenues.

It is the intent of the Districts to consolidate and/or dissolve upon payment or defeasance of all Debt incurred and where adequate provision has been made for operations and maintenance obligations of the Districts or upon a court determination that adequate provision has been made for the payment of all Debt, and if any District has authorized operating functions by the City, to retain only the power necessary to impose and collect taxes or fees to pay for

these costs to perform these functions and satisfy any operations and maintenance obligations. The Districts shall be authorized to finance the District Improvements that can be funded from Debt to be repaid from Fees or from property tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means an approved final development plan or administrative site plan that identifies, among other things, District Improvements necessary for development of the property within the Service Area, as approved by the City pursuant to the City Code, as amended from time to time.

Board: means the board of directors of one District or the boards of directors of all Districts, in the aggregate.

Bond, Bonds or Debt: means bonds or other obligations issued or entered into by the District that are payable from revenues received from the District's *ad valorem* property tax mill levy, and/or collected Fee revenue.

City: means the City of Centennial, Colorado.

City Code: means the Municipal Code of the City of Centennial, Colorado.

City Council: means the City Council of the City of Centennial, Colorado.

District: means any one of the Verona Estates Metropolitan District No. 1 through 2.

Districts' Boundaries: means the boundaries of the area described in the Districts' Boundary Map

Districts' Boundary Map: means the map attached hereto as **Exhibit C**, describing the Districts' Boundaries, as further, and more specifically defined by the legal descriptions attached as **Exhibit A**.

District No. 1: means the Verona Estates Metropolitan District No. 1.

District No. 2: means the Verona Estates Metropolitan District No. 2.

District Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as authorized by the Special District Act, except as specifically limited in Section V below to serve the future taxpayers of the Service Area as determined by the Board of the District.

Fees: means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described below.

Financial Plan: means the Financial Plan described in Section VI which describes (i) how the District Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

Operating District: means District No. 1.

Project: means the development and re-development of property commonly referred to as Verona Estates.

Service Area: initially means the property defined under **Exhibits A and C** as may be amended in the future by permitted inclusions and exclusions authorized hereunder. Notwithstanding the definition of "Service Area," the Districts shall have authorization to provide District Improvements both within and without the Districts' Boundaries.

Service Plan: means this service plan for the Districts approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's rules and regulations and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the Districts.

Taxing District: means District No. 2.

III. BOUNDARIES

The area of the Districts' Boundaries includes approximately nineteen and fifty-nine hundredths (19.59) acres. Legal descriptions of the Districts' Boundaries are attached hereto as **Exhibit A**. A map of the Districts' Boundaries is attached hereto as **Exhibit C**. It is anticipated that the Districts' internal boundaries may change from time to time as they undergo inclusions and exclusions without further City approval, pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below. No

inclusions outside of the overall Service Area of the Districts shall be allowed without approval of the City Council.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The geographic area which may legally be served by the Districts ("Service Area") comprises the entire area of the Verona Estates Planned Development, all of which will be included within the Districts' boundaries, which are approximately nineteen and fifty-nine hundredths (19.59) acres, more or less. The Verona Estates Planned Development has a Preliminary Development Plan approved by the City of Centennial. At the present time, the Districts are not contemplating including any area into their boundaries. The current assessed valuation of the Service Area is estimated to be \$371,200.00 for purposes of this Service Plan and, at build out, is expected to be \$9,388,278, sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately two hundred (200) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to provide the District Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein. The services to be provided by the Districts include but are not limited to: Water; Streets; Traffic and Safety Controls; Drainage; Parks and Recreation; and Sanitation; all as further set forth in Title 32, C.R.S., and as regulated by the City of Centennial through its Location and Extent, or other appropriate, process. The anticipated District Improvements and their anticipated location are attached hereto as **Exhibit E**. A material modification of this Service Plan shall be deemed to exist in accordance with the provisions of section 32-1-207(2), C.R.S., and shall specifically include, but not necessarily be limited to the following events: (1) issuance of Debt in excess of Four Million Dollars (\$4,000,000), (2) issuance of Debt in excess of the Maximum Debt Mill Levy Imposition Term: (3) imposition of a debt service mill levy in excess of the Maximum Debt Mill Levy: (4) providing services over and above the authorization provided herein: and, (5) violation of any of the below items in Section V(A) 1-10, herein. Any and all material modifications shall be undertaken in accordance with the provisions of Title 32, C.R.S., and shall require a Service Plan amendment, approved by the City Council.

Portions of the legal boundaries of the Districts (as initially configured and as ultimately expanded) may overlap the legal boundaries of additional special districts. The

Districts shall comply with the applicable provisions of Section 32-1-107, C.R.S., relating to districts with overlapping services and shall obtain consent as necessary from such entities pursuant to Section 32-1-305(6).

1. Fire Protection Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate (without permission from governing Fire Protection District), redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City and any overlapping fire protection district, as may be applicable. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

2. Television Relay and Translation Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

3. Construction Standards Limitation. The Districts will ensure that the District Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of District Improvements prior to performing such work.

4. Inclusion Limitation. With the specific exceptions of boundary adjustments to include property within the Service Area described in **Exhibit A** and **Exhibit C**, as set forth in Section III, above, the Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

5. Overlap Limitation. The Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

6. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of Four Million Dollars (\$4,000,000) without City approval.

7. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes or revenues received pursuant to the Public Financing Agreement, if any, which shall be distributed to, and be a revenue source for, the Districts without any limitation.

8. Consolidation Limitation. District No. 1 shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City Council, unless such consolidation is with District No. 2. Consolidation of the Districts, after notice and approval of the City, shall be permitted without the necessity of a Service Plan Amendment.

9. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

10. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the District Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the District Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Four Million, Four Hundred Thirty Eight Thousand, Six Hundred Sixty Two Dollars (\$4,438,662.00) and is attached hereto as **Exhibit D**. The cost estimates for the anticipated District Improvements shall be refined through the City's development approval process and shall be further set forth as part of the Public Financing Agreement. All of the District Improvements will be designed in such a way as to assure that the District Improvements standards will be in compliance with those

approval, authorization and design standards of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements. The Districts waives their right to overrule the City under authorizations set forth in Section 31-23-209, C.R.S.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the District Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. A sample Financial Plan is attached hereto as **Exhibit F**. The total Debt that the Districts shall be permitted to issue shall not exceed Four Million Dollars (\$4,000,000) from the imposition of mill levy, Fees and as may be set forth herein. The District Debt shall be permitted to be issued on a schedule and in such year or years as the Districts determine, in its discretion, shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

1. The "Maximum Debt Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt. The Maximum Debt Mill Levy shall be fifty (50) mills; provided that if, on or after January 1, 2005, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2005, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. The Maximum Debt Mill Levy of fifty (50) mills reflects the total that may be imposed by both Districts combined.

D. Maximum Debt Mill Levy Imposition Term.

The District shall not impose a levy for repayment of Debt which exceeds forty (40) years after the year the Debt was issued, with the specific exception of refundings for a part or all of the Debt where such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq. or where such refunding was done to avoid a default.

E. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within their boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City.

The Districts may also collect a Development Fee, provided that such Development Fee does not exceed the following limits:

1. For each single-family detached residential unit, the Development Fee shall not exceed Two Thousand Dollars (\$2,000.00).
2. For each single-family attached or multi-family residential unit, the Development Fee shall not exceed One Thousand Five Hundred Dollars (\$1,500.00).
3. For a structure other than a single-family or multi-family residential structure, the Development Fee shall not exceed Twenty-Five Cents (\$0.25) per square foot of the structure.

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an

inflation adjustment) commencing on January 1, 2007. The Development Fee shall be collected prior to issuance of a certificate of occupancy. The Development Fee collected by the Districts does not substitute or replace any other lawfully imposed fees.

F. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation, nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

G. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board and conditioned upon the City's prior approval to do so, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards.

H. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be Seventy Five Thousand Dollars (\$75,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the District Improvements, the Districts will require operating funds for administration and to plan and cause the District Improvements to be constructed and maintained. The first year's operating budget is estimated to be Sixty Thousand Dollars (\$60,000) which is anticipated to be derived from property taxes and other legally available revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the Districts' ability to increase their mill levy as necessary for provision of operation and maintenance services to their taxpayers and service users.

VII. ANNUAL REPORT

A. General.

Each of the Districts shall be responsible for submitting an annual report to the City's Director of Finance no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the Districts' rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the District Improvements as of December 31 of the prior year.
5. Status of the Districts' construction of the District Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the Districts for the current year.
8. Current year budget including a description of the District Improvements to be constructed in such year.
9. Audit of the Districts financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.
12. A summary of the financial ability of the District to discharge its existing or proposed indebtedness, including any decrease in such ability.

VIII. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the Districts have provided for all operations and maintenance requirements and the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Debt Mill Levy, the total amount of Debt authorized pursuant to the Service Plan, as well as a general description of the Districts' authority to impose and collect rates, Fees, tolls and charges. The disclosure shall be recorded on the property within the District Boundaries and shall further provide information as to the manner in which to obtain additional information regarding the District, including all then-current financial information. The form of Disclosure to Purchasers is attached hereto as **Exhibit G** and shall be used by all developers of the property in substantially the same form.

X. CONCLUSION


It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
6. The creation of the Districts is in the best interests of the area proposed to be served.

Therefore, it is hereby respectfully requested that the City Council of the City of Centennial, Colorado, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-204.5, C.R.S., *et seq.*, as amended, adopt a resolution, which approves this "Consolidated Service Plan for Verona Estates Metropolitan District Nos. 1 and 2," as submitted.

Respectfully submitted this 25th day of September, 2006.

By:



Attorneys for the Proponents of the Districts

EXHIBIT A

Legal Descriptions

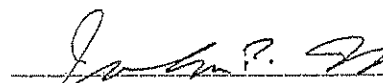
DISTRICT NO. 1

DESCRIPTION

A parcel of land in the West Half of the Northeast Quarter of the Northeast Quarter, Section 20, Township 5 South, Range 67 West of the Sixth Principal Meridian, City of Centennial, County of Arapahoe, State of Colorado, more particularly described as follows:

COMMENCING at the East Sixteenth corner between said Section 20 and Section 17;
Thence South 00°07'59" East along the east sixteenth line of said Section 20 a distance of 941.64 feet;
Thence North 89°51'39" East a distance of 405.86 feet to the POINT OF BEGINNING;
Thence along the arc of a non-tangent curve to the right having a central angle of 31°56'38", a radius of 100.00 feet, and an arc distance of 55.75 feet (chord bears North 05°59'23" East, 55.03 feet);
Thence North 23°48'23" East a distance of 11.27 feet to a point of curvature;
Thence along the arc of a curve to the left having a central angle of 02°24'04", a radius of 217.91 feet and an arc length of 9.13 feet (chord bears North 22°36'21" East, 9.13 feet) to a point of reverse curvature;
Thence along the arc of a curve to the right having a central angle of 83°54'05", a radius of 15.11 feet, and an arc length of 22.13 feet (chord bears North 63°21'22" East, 20.20 feet);
Thence South 73°59'17" East a distance of 46.30 feet;
Thence South 89°51'23" West a distance of 58.22 feet;
Thence South 00°17'05" East a distance of 65.00 feet;
Thence South 75°57'48" West a distance of 19.04 feet to the POINT OF BEGINNING.

Containing 1,578 square feet, or 0.036 acres, more or less.


John P. Morrison, PLS 24669
For and On Behalf of
High Country Engineering, Inc.



HIGH COUNTRY ENGINEERING, INC.

14 INVERNESS DRIVE EAST, STE F-120, ENGLEWOOD, CO 80112
PHONE (303) 925-0544 FAX (303) 925-0547
1517 BLAKE AVENUE, STE 101, GLENWOOD SPRINGS, CO 81601
PHONE (970) 945-8676 FAX (970) 945-2555
WWW.HCENG.COM

DATE:	09/21/06
FILE:	DWG/EXH/METRO1
PROJECT NO.:	2062006
DRAWN BY:	JMM

EXHIBIT _____

PAGE 1 OF 2

DISTRICT NO. 2

DESCRIPTION

The West Half of the Northeast Quarter of the Northeast Quarter of Section 20, Township 5 South, Range 67 West of the Sixth Principal Meridian, excepting the right-of-way of East Orchard Road, City of Centennial, County of Arapahoe, State of Colorado, more particularly described as follows:

COMMENCING at the Northeast corner of said Section 20;
Thence South 89°41'42" West along the northerly line of said Section 20 a distance of 1,319.55 feet;
Thence South 00°07'59" East a distance of 30.00 feet to the southerly line of the right of way of East Orchard Road and the POINT OF BEGINNING;
Thence North 89°41'42" East parallel with and 30.00 southerly of the northerly line of said section and along the southerly right of way line of East Orchard Road a distance of 659.78 feet to the easterly line of said West half of the Northeast Quarter of the Northeast Quarter;
Thence South 00°08'37" East along said easterly line a distance of 1,293.38 feet to the north sixteenth line of said section;
Thence South 89°42'55" West along said north sixteenth line a distance of 660.01 feet to the east sixteenth line of said section;
Thence North 00°07'59" West along said east sixteenth line a distance of 1,293.15 feet to the POINT OF BEGINNING. Containing 853,415 square feet, or 19.592 acres, more or less.

EXCEPTING

PARCEL 1

A parcel of land in the West Half of the Northeast Quarter of the Northeast Quarter of Section 20, Township 5 South, Range 67 West of the Sixth Principal Meridian, City of Centennial, County of Arapahoe, State of Colorado, more particularly described as follows:

COMMENCING at the East Sixteen corner between said Section 20 and Section 17;
Thence South 00°07'59" East along the east sixteenth line of said Section 20 a distance of 941.64 feet;
Thence North 89°51'39" East a distance of 405.86 feet to the POINT OF BEGINNING;
Thence North 75°57'48" East a distance of 19.04 feet;
Thence South 00°17'05" East a distance of 39.96 feet;
Thence North 70°24'20" West a distance of 25.14 feet to a point of non-tangent curvature;
Thence along the arc of a curve to the left having a central angle of 41°05'57", a radius of 39.00 feet, and an arc distance of 27.98 feet (chord bears North 10°34'03" East, 27.38 feet) to the POINT OF BEGINNING.

Containing 664 square feet, or 0.015 acres, more or less.

ALSO EXCEPTING



HIGH COUNTRY ENGINEERING, INC.

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PHONE (303) 925-0544 FAX (303) 925-0547
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DATE:	09/21/06
FILE:	DWG/EXH/METRO2
PROJECT NO:	2062008
DRAWN BY:	JMM

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PAGE 1 OF 3

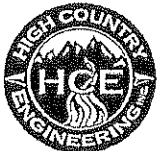
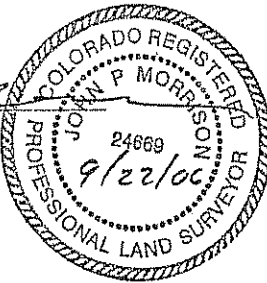
PARCEL 2

A parcel of land in the West Half of the Northeast Quarter of the Northeast Quarter, Section 20, Township 5 South, Range 67 West of the Sixth Principal Meridian, City of Centennial, County of Arapahoe, State of Colorado, more particularly described as follows:

COMMENCING at the East Sixteenth corner between said Section 20 and Section 17; Thence South 00°07'59" East along the east sixteenth line of said Section 20 a distance of 941.64 feet; Thence North 89°51'39" East a distance of 405.86 feet to the POINT OF BEGINNING; Thence along the arc of a non-tangent curve to the right having a central angle of 31°56'38", a radius of 100.00 feet, and an arc distance of 55.75 feet (chord bears North 05°59'23" East, 55.03 feet); Thence North 23°48'23" East a distance of 11.27 feet to a point of curvature; Thence along the arc of a curve to the left having a central angle of 02°24'04", a radius of 217.91 feet and an arc length of 9.13 feet (chord bears North 22°36'21" East, 9.13 feet) to a point of reverse curvature; Thence along the arc of a curve to the right having a central angle of 83°54'05", a radius of 15.11 feet, and an arc length of 22.13 feet (chord bears North 63°21'22" East, 20.20 feet); Thence South 73°59'17" East a distance of 46.30 feet; Thence South 89°51'23" West a distance of 58.22 feet; Thence South 00°17'05" East a distance of 65.00 feet; Thence South 75°57'48" West a distance of 19.04 feet to the POINT OF BEGINNING. Containing 1,578 square feet, or 0.036 acres, more or less.

CONTAINING A TOTAL OF 851,193 SQUARE FEET, OR 19.54 ACRES, MORE OR LESS.

John F. Morrison
John F. Morrison, PLS 24669
For and On Behalf of
High Country Engineering, Inc.



HIGH COUNTRY ENGINEERING, INC.

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1517 BLAKE AVENUE, STE 101, GLENWOOD SPRINGS, CO 81601
PHONE (970) 845-8576 FAX (970) 845-2555
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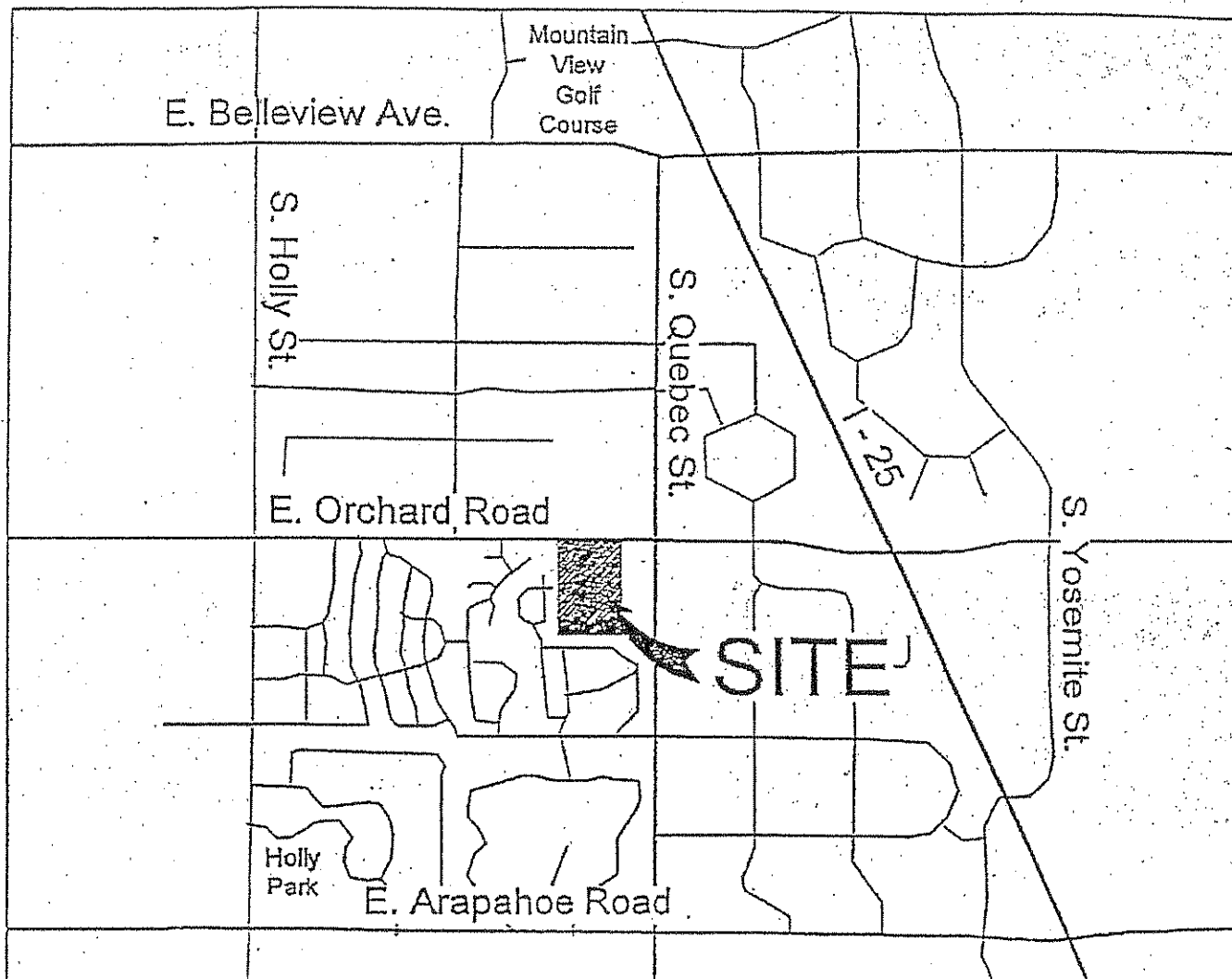
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DRAWN BY:	JMM

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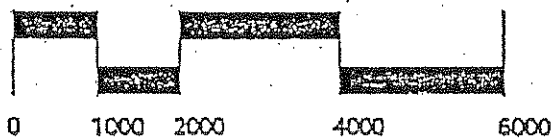
PAGE 2 OF 3

EXHIBIT B

Centennial Vicinity Map



Vicinity Map

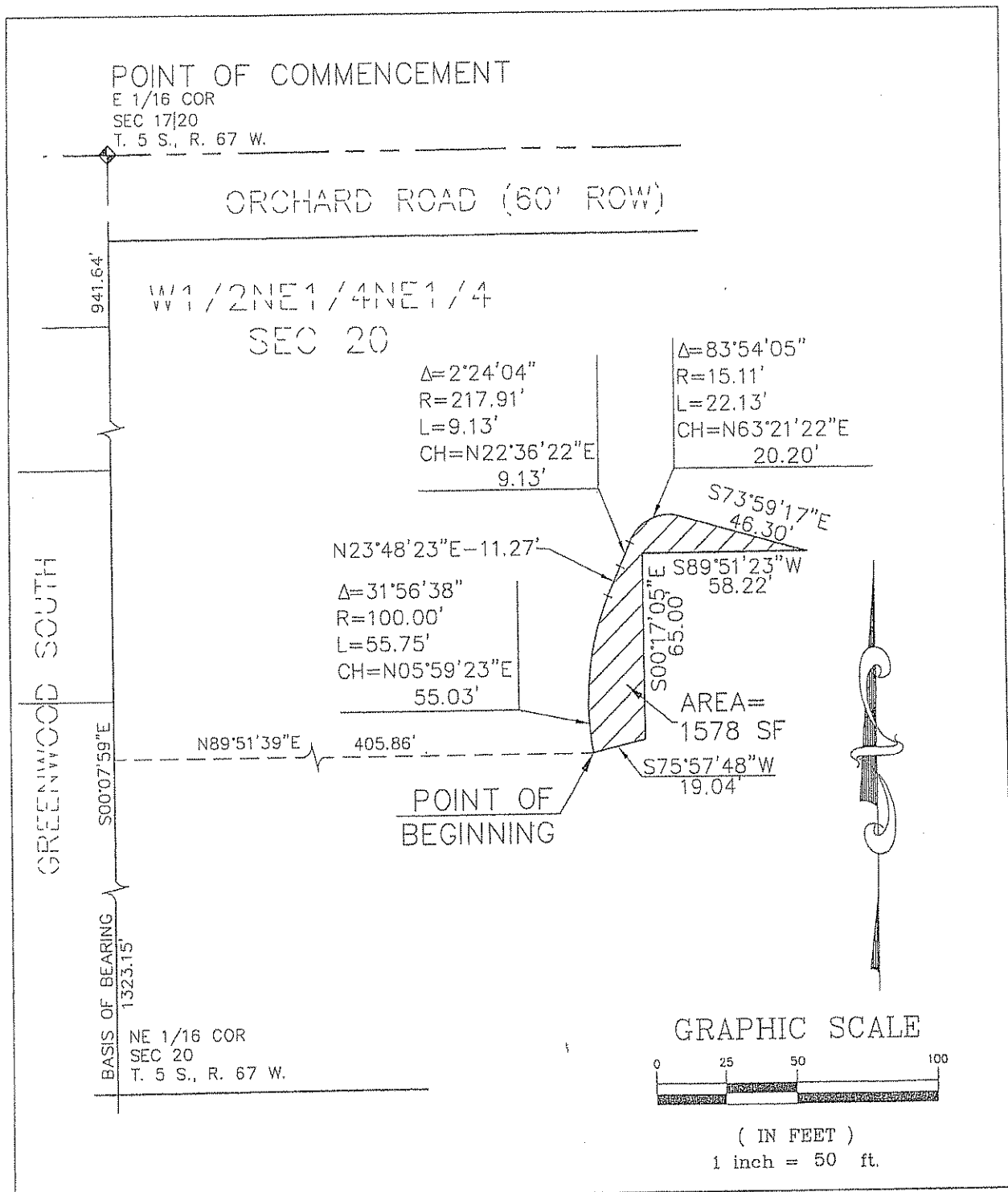


Scale: 1" = 2000'

EXHIBIT C

Districts Boundary Map

DISTRICT NO. 1



HIGH COUNTRY ENGINEERING, INC.

14 INVERNESS DRIVE EAST, STE F-120, ENGLEWOOD, CO 80112
 PHONE (303) 925-0544 FAX (303) 925-0547

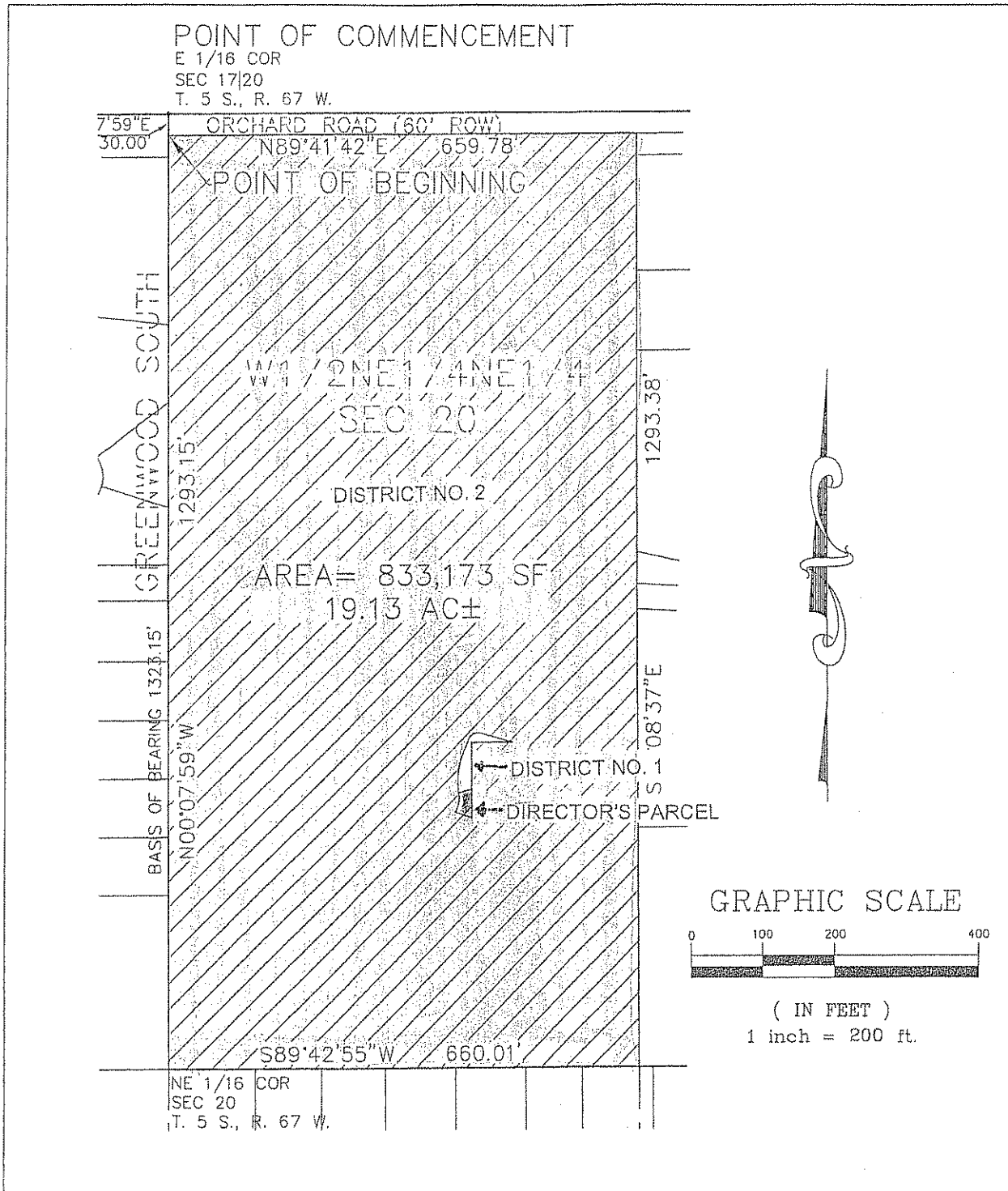
1517 BLAKE AVENUE, STE 101, GLENWOOD SPRINGS, CO 81601
 PHONE (970) 945-8676 FAX (970) 945-2555
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DATE:	09/21/06
FILE #:	
DWG/EXH/METRO:	
PROJECT NO.:	2062008
DRAWN BY:	JMM

EXHIBIT _____

PAGE 2 OF 2

DISTRICT NO. 2



HIGH COUNTRY ENGINEERING, INC.

14 INVERNESS DRIVE EAST, STE F-120, ENGLEWOOD, CO 80112
PHONE (303) 925-0544 FAX (303) 925-0547

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EXHIBIT _____

PAGE 3 OF 3

EXHIBIT D

Capital Plan

Verona Estates

Preliminary Cost Estimate

Prepared: 8-24-05

Landscape

Item	Qty.	Unit	Unit Price	Total
Canopy Trees 3" cal.	284	ea.	\$400.00	\$113,600.00
Evergreen Trees (spade)	20	ea.	\$1,000.00	\$20,000.00
Evergreen Trees 10'-12'	25	ea.	\$500.00	\$12,500.00
Ornamental Trees 2" cal.	18	ea.	\$275.00	\$4,950.00
Evergreen Shrubs 5 gal.	426	ea.	\$27.00	\$11,502.00
Deciduous Shrubs 5 gal.	582	ea.	\$24.00	\$13,968.00
Perennials 1 gal.	890	ea.	\$12.00	\$10,680.00
Rock Mulch w/ weed barrier	21,350	sf.	\$0.35	\$7,472.50
Wetland Mitigation	64,000	sf.	\$2.00	\$128,000.00
Steel Edger	1,050	lf.	\$2.00	\$2,100.00
Sod w/ soil preparation	72,746	sf.	\$0.45	\$32,735.70
Automatic Irrigation System	94,096	sf.	\$0.75	\$70,572.00
Total				\$428,080.20

Item	Qty.	Unit	Unit Price	Total
8' Concrete Path (Orchard Road)	620	l.f.	\$40.00	\$24,800.00
6' Privacy Fence (perimeter)	1898	l.f.	\$20.00	\$37,960.00
Privacy Fence Cloumns	40	ea.	\$750.00	\$30,000.00
Masonry Sound Wall	650	l.f.	\$150.00	\$97,500.00
Entry Columns	18	ea.	\$1,200.00	\$21,600.00
Entry Monuments/ Signage at Main Entry	2	ea.	\$20,000.00	\$40,000.00
Decorative Wrought Iron alon wall	650	lf.	\$60.00	\$39,000.00
Secondary Monumentation	2	ea.	\$20,000.00	\$40,000.00
Feature Uplighting	1	l.s.	\$12,000.00	\$12,000.00
Stamped Entry Concrete	7,700	s.f.	\$15.00	\$115,500.00
Bridge Walls	340	l.f.	\$125.00	\$42,500.00
Bridge Columns	12	ea.	\$750.00	\$9,000.00
Guard House	1	ea.	\$90,000.00	\$90,000.00
Lighting at entries	12	ea.	\$750.00	\$9,000.00
Street Lighting	21	ea.	\$2,000.00	\$42,000.00
Benches	3	ea.	\$500.00	\$1,500.00
Trash Receptacle	1	ea.	\$300.00	\$300.00
Total				\$652,660.00

<i>Landscape and Site Amentity Total</i>				\$1,080,740.20
15% CONTINGENCY	0.15			\$162,111.03
GRAND TOTAL				\$1,242,851.23

EXHIBIT A

Verona Estates, Utility and Drainage Estimate of Construction Costs

ITEM	QUANTITY	UNIT	UNIT COST	TOTAL
STREET QUANTITIES				
SUBGRADE PREP	15622	SY	\$4.00	\$62,488.00
7-in FULL DEPTH ASPHALT	14645	SY	\$18.50	\$270,932.50
6-in CURB W/GUTTER (2-FT PAN)	9073	LF	\$18.00	\$163,314.00
4' CONCRETE SIDEWALK	37680	SF	\$3.75	\$141,300.00
CROSSPANS (10" THICK)	1801	SF	\$7.50	\$13,507.50
HANDICAP RAMPS	14	EA	\$2,000.00	\$28,000.00
STOP SIGN	17	EA	\$400.00	\$6,800.00
STAKING/SURVEY WORK	1	LS	\$7,800.00	\$7,800.00
CONCRETE BOX CULVERT	2	EA	\$70,000.00	\$140,000.00
SUBTOTAL:				\$834,142.00
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				
ENGINEERING DESIGN CONTINGENCY (15%)				\$51,000.00
CONSTRUCTION COST CONTINGENCY (15%)				\$7,650.00
SUBTOTAL:				\$125,121.30
STORM / DRAINAGE				
12" RCP	300	LF	\$30.00	\$9,000.00
15" RCP	285	LF	\$35.00	\$9,975.00
18" RCP	659	LF	\$40.00	\$26,360.00
24" RCP	736	LF	\$47.00	\$34,592.00
30" RCP	399	LF	\$55.00	\$21,945.00
42" RCP	659	LF	\$65.00	\$42,835.00
12" FLARED END SECTION	2	EA	\$800.00	\$1,600.00
15" FLARED END SECTION	4	EA	\$800.00	\$3,200.00
18" FLARED END SECTION	2	EA	\$800.00	\$1,600.00
24" FLARED END SECTION	2	EA	\$1,200.00	\$2,400.00
30" FLARED END SECTION	2	EA	\$1,500.00	\$3,000.00
42" FLARED END SECTION	1	EA	\$2,500.00	\$2,500.00
4'X4' GRATES	5	EA	\$1,500.00	\$7,500.00
TYPE 10' INLET	11	EA	\$3,200.00	\$35,200.00
TYPE 15' INLET	5	EA	\$3,800.00	\$19,000.00
4.0' MANHOLE	9	EA	\$2,400.00	\$21,600.00
4.0' MANHOLE DEEP	5	EA	\$4,500.00	\$22,500.00
5.0' MANHOLE	2	EA	\$2,500.00	\$5,000.00
5.0' MANHOLE DEEP	5	EA	\$5,000.00	\$25,000.00
STAKING/SURVEY WORK	1	LS	\$9,000.00	\$9,000.00
WATER QUALITY PONDS	3	LS	\$1,000.00	\$3,000.00
DETENTION PONDS	2	LS	\$8,500.00	\$17,000.00
SUBTOTAL:				\$304,832.00
DESIGN ENGINEERING (INCLUDING REIMBURSIBLES)				
ENGINEERING DESIGN CONTINGENCY (15%)				\$25,800.00
CONSTRUCTION COST CONTINGENCY (15%)				\$3,870.00
SUBTOTAL:				\$45,724.80
SANITARY SEWER				
8" SANITARY SEWER (PVC)	3329	LF	\$32.00	\$106,528.00

SANITARY SEWER SERVICES (4" PVC)	1960	LF	\$16.50	\$32,340.00
STAKING/SURVEY WORK	1	LS	\$9,800.00	\$9,800.00
4' DIAMETER MANHOLE	23	EA	\$2,200.00	\$50,600.00
SUBTOTAL:				\$199,268.00
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				\$17,600.00
ENGINEERING DESIGN CONTINGENCY (15%)				\$2,640.00
CONSTRUCTION COST CONTINGENCY (15%)				\$29,890.20
SUBTOTAL:				\$249,398.20
WATER				
8" PVC WATERLINE	3951	LF	\$32.00	\$126,432.00
6" PVC WATERLINE	263	LF	\$24.00	\$6,312.00
LATERALS TO METER PITS	73	EA	\$350.00	\$25,550.00
FIRE HYDRANT ASSEMBLIES	13	EA	\$3,500.00	\$45,500.00
8" GATE VALVE	21	EA	\$1,200.00	\$25,200.00
8" PRESSURE REDUCING VALVE	1	EA	\$2,800.00	\$2,800.00
8"X8" CROSS	2	EA	\$480.00	\$960.00
8"X16" TEE	1	EA	\$640.00	\$640.00
8"X8" TEE	2	EA	\$300.00	\$600.00
8"X6" TEE	15	EA	\$280.00	\$4,200.00
8" - 45 DEG BEND	4	EA	\$350.00	\$1,400.00
8" - 22.5 DEG BEND	13	EA	\$350.00	\$4,550.00
8" - 11.25 DEG BEND	9	EA	\$350.00	\$3,150.00
8" - 90 DEG BEND	3	EA	\$375.00	\$1,125.00
STAKING/SURVEY WORK	1	LS	\$7,400.00	\$7,400.00
METER PITS	73	EA	\$400.00	\$29,200.00
SUBTOTAL:				\$285,019.00
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				\$21,600.00
ENGINEERING DESIGN CONTINGENCY (15%)				\$3,240.00
CONSTRUCTION COST CONTINGENCY (15%)				\$42,752.85
SUBTOTAL:				\$352,611.85
DRY UTILITIES				
Gas Installation	1	LS	\$25,000.00	\$25,000.00
Electric Installation	1	LS	\$85,000.00	\$85,000.00
Phone Installation	1	LS		\$0.00
STAKING/SURVEY WORK	1	LS	\$4,000.00	\$4,000.00
SUBTOTAL:				\$114,000.00
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				\$5,500.00
ENGINEERING DESIGN CONTINGENCY (15%)				\$825.00
CONSTRUCTION COST CONTINGENCY (15%)				\$17,100.00
SUBTOTAL:				\$137,425.00
EARTHWORK (To Finished Grade)				
Raw Cut	37405	CY	\$2.00	\$74,810.00
Raw Fill	94268	CY		
Strippings (Assumed 6" Depth)	15857	CY	\$2.00	\$31,713.00
Adjusted Cut (Cut + 1/2 Strippings)	45333	CY		
Adjusted Fill (Fill/0.9)	104742	CY		
Net Earthwork (Adjusted Fill - Adjusted Cut)	59409	CY (Fill)	\$5.00	\$297,044.86
STAKING/SURVEY WORK OVERLOT	1	LS	\$8,000.00	\$8,000.00

STAKING/SURVEY WORK PINS & RANGE BOXES	1	LS	\$6,800.00	\$6,800.00
EROSION CONTROL SILT FENCE	1	LS	\$20,000.00	\$20,000.00
RETAINING WALLS	7156	SF	\$20.00	\$143,120.00
FINISHING GULCH	1	EA	\$50,000.00	\$50,000.00
STAKING/SURVEY WORK GULCH	1	LS	\$2,500.00	\$2,500.00
SUBTOTAL:				\$633,987.86
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				\$42,600.00
ENGINEERING DESIGN CONTINGENCY (15%)				\$6,390.00
CONSTRUCTION COST CONTINGENCY (15%)				\$95,098.18
SUBTOTAL:				\$778,076.04
PARK AND RECREATION FACILITIES				
10' Wide Concrete trail	5334	SF	\$7.50	\$40,005.00
10' Wide Maintenance Road & Trail	8162	SF	\$8.50	\$69,377.00
STAKING/SURVEY WORK	1	LS	\$2,500.00	\$2,500.00
SUBTOTAL:				\$111,882.00
DESIGN ENGINEERING (INCLUDES REIMBURSIBLES)				\$6,800.00
ENGINEERING DESIGN CONTINGENCY (15%)				\$1,020.00
CONSTRUCTION COST CONTINGENCY (15%)				\$16,782.30
SUBTOTAL:				\$136,484.30
SUMMARY OF PROJECT TOTALS				
ENGINEERING DESIGN				\$165,400.00
15% ENGINEERING DESIGN CONTINGENCY				\$24,810.00
CONSTRUCTION COST				\$2,369,130.86
15% CONSTRUCTION COST CONTINGENCY				\$355,369.63
Committed Costs to City of Centennial				
TRAFFIC CALMING				\$75,000.00
DOWNSTREAM DRAINAGE IMPROVEMENTS				\$75,000.00
PROJECT TOTAL:				\$3,064,710.49

EXHIBIT E

Maps Depicting Public Improvements

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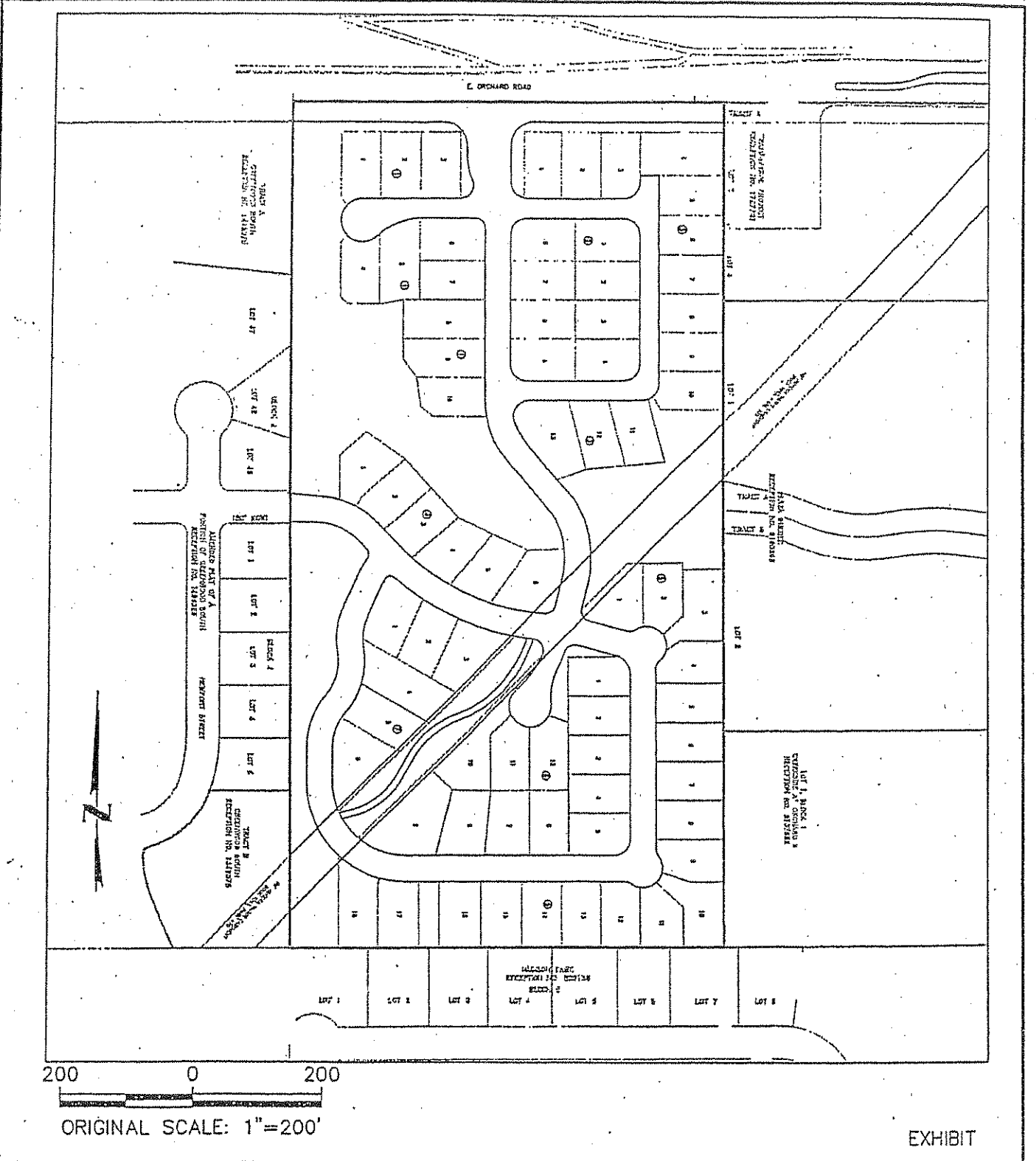
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EXHIBIT

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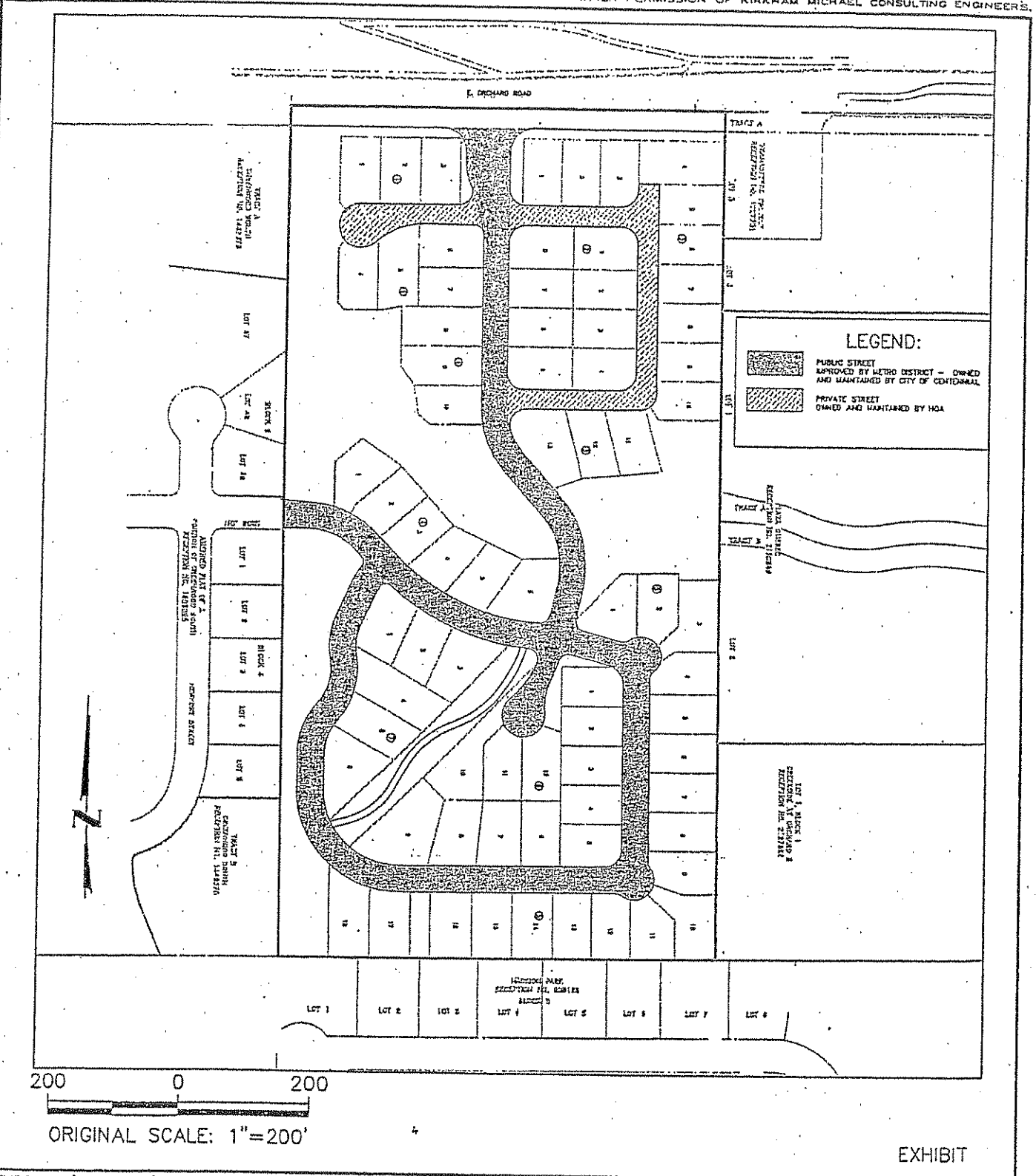
VERONA ESTATES
METROPOLITAN DIST. 1 & 2
DEVELOPMENT PLAN

revisions:



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ORIGINAL SCALE: 1"=200'

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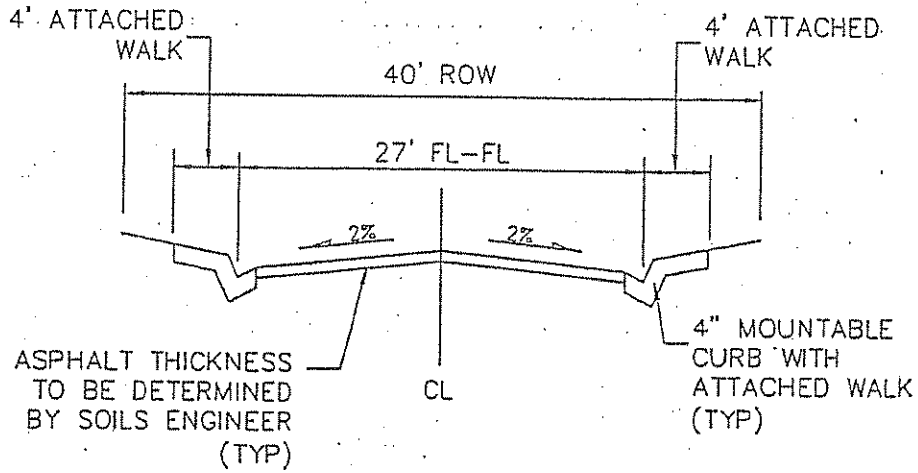
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VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 STREET PLAN

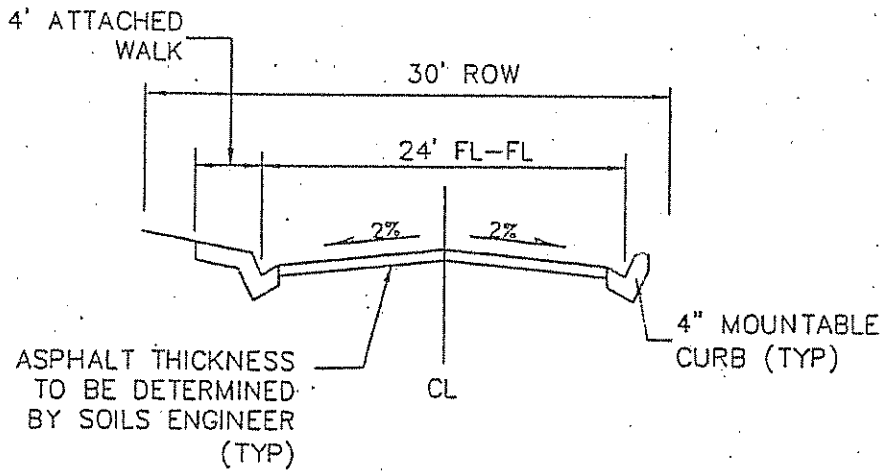
revisions:



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TYPICAL PUBLIC STREET SECTION



TYPICAL PRIVATE STREET SECTION

EXHIBIT

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 DATE: 12/05/05
 DESIGN: SCJ
 DRAWN: RW
 CHECKED: RW
 KMA NO. U-0410010

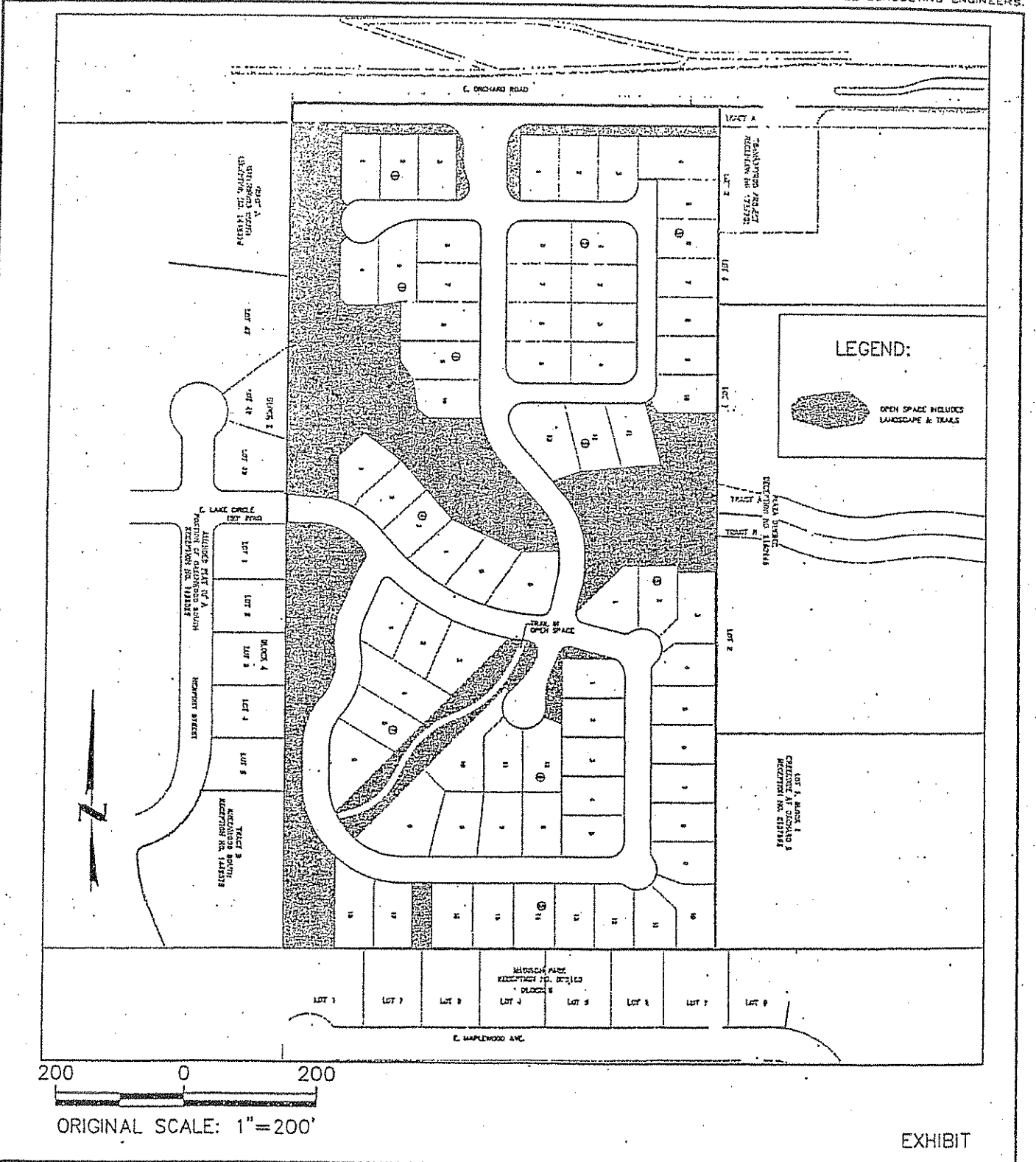
VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 STREET DETAILS

revisions:


 KIRKHAM
 MICHAEL

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1	12/04/05
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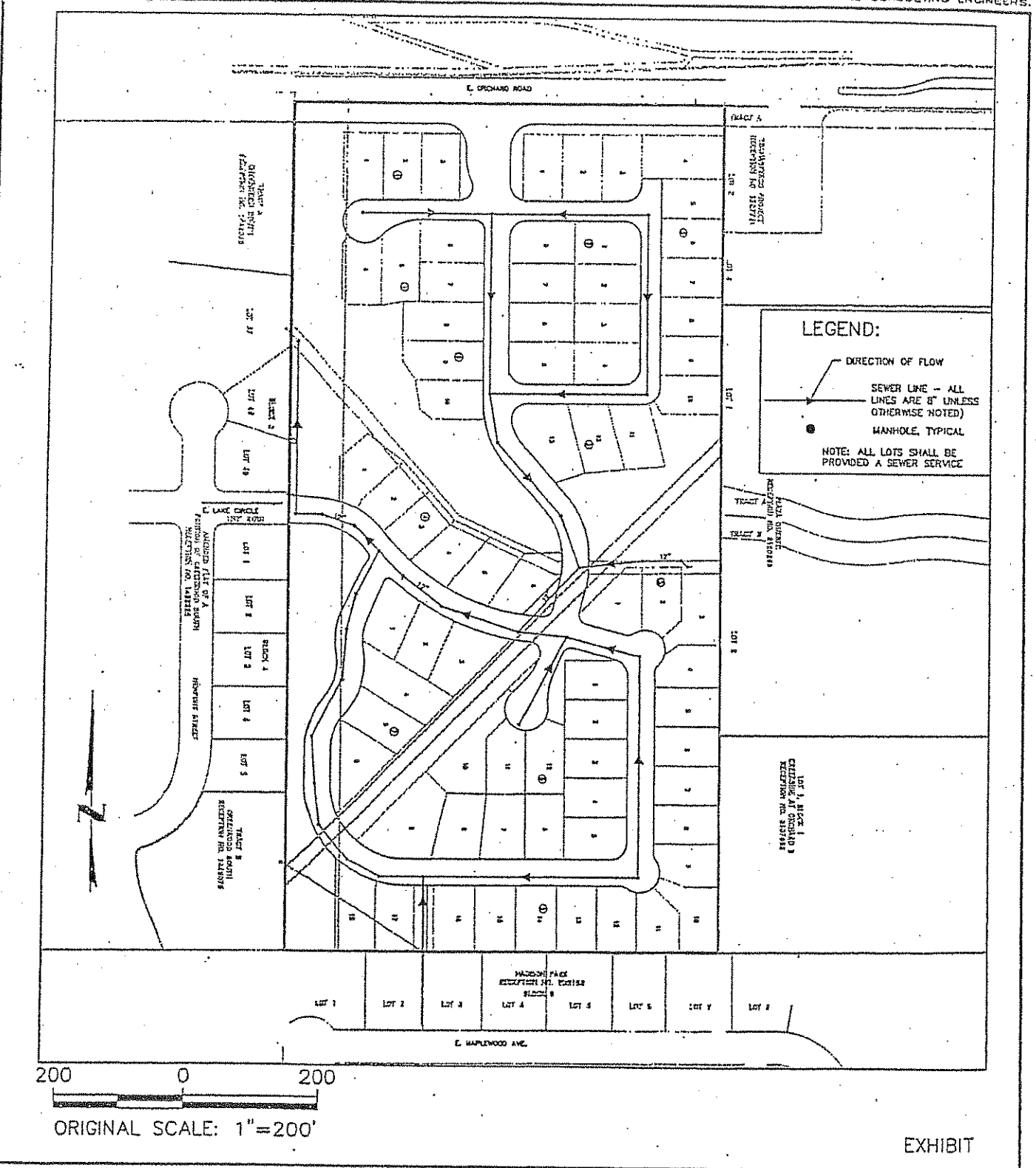
VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 OPEN SPACE, LANDSCAPE
 & TRAILS

revisions:



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NO CHANGES ARE TO BE MADE TO THIS DRAWING WITHOUT WRITTEN PERMISSION OF KIRKHAM MICHAEL CONSULTING ENGINEERS.



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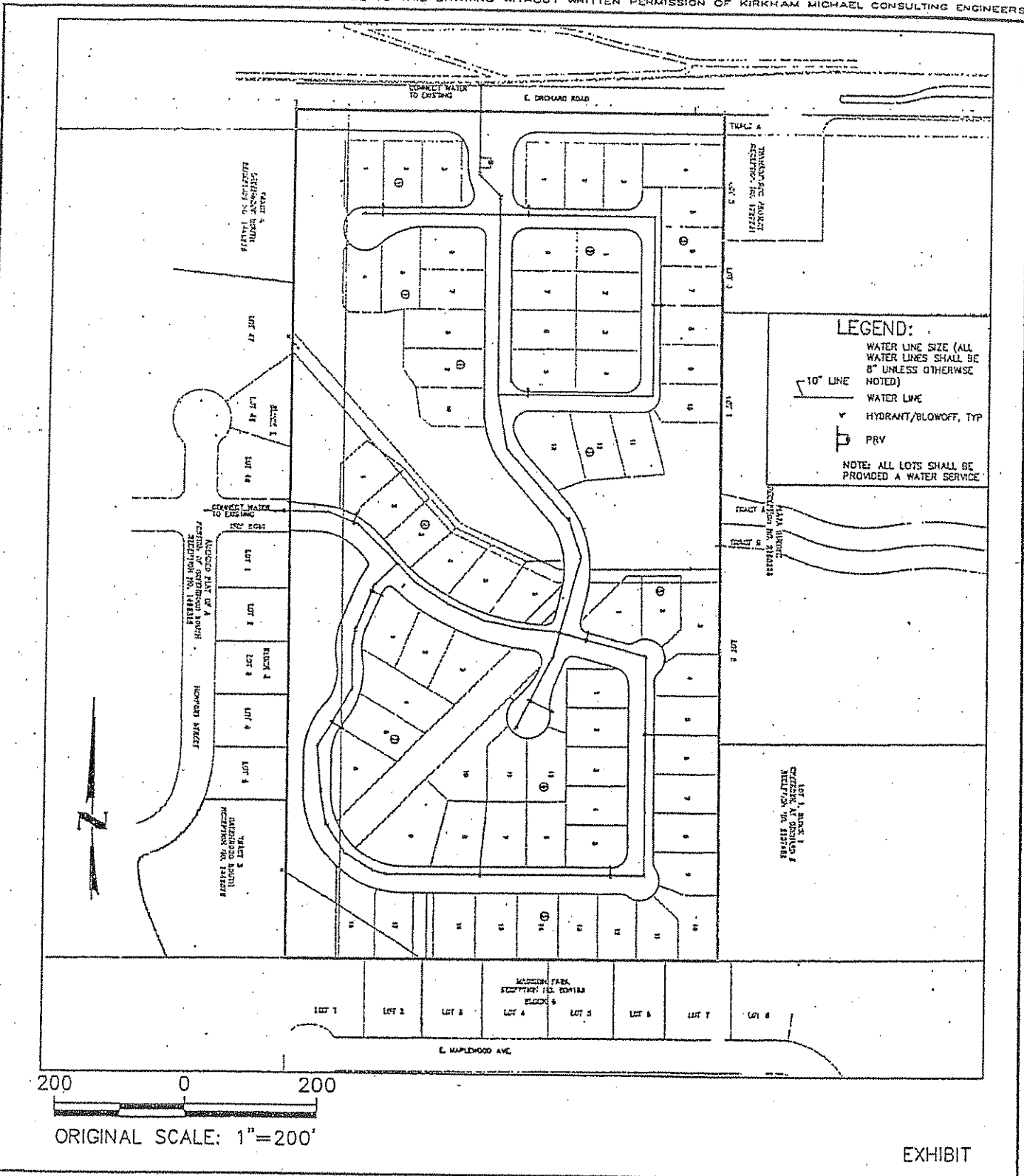
VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 SANITARY SEWER
 SYSTEM

revisions:



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EXHIBIT

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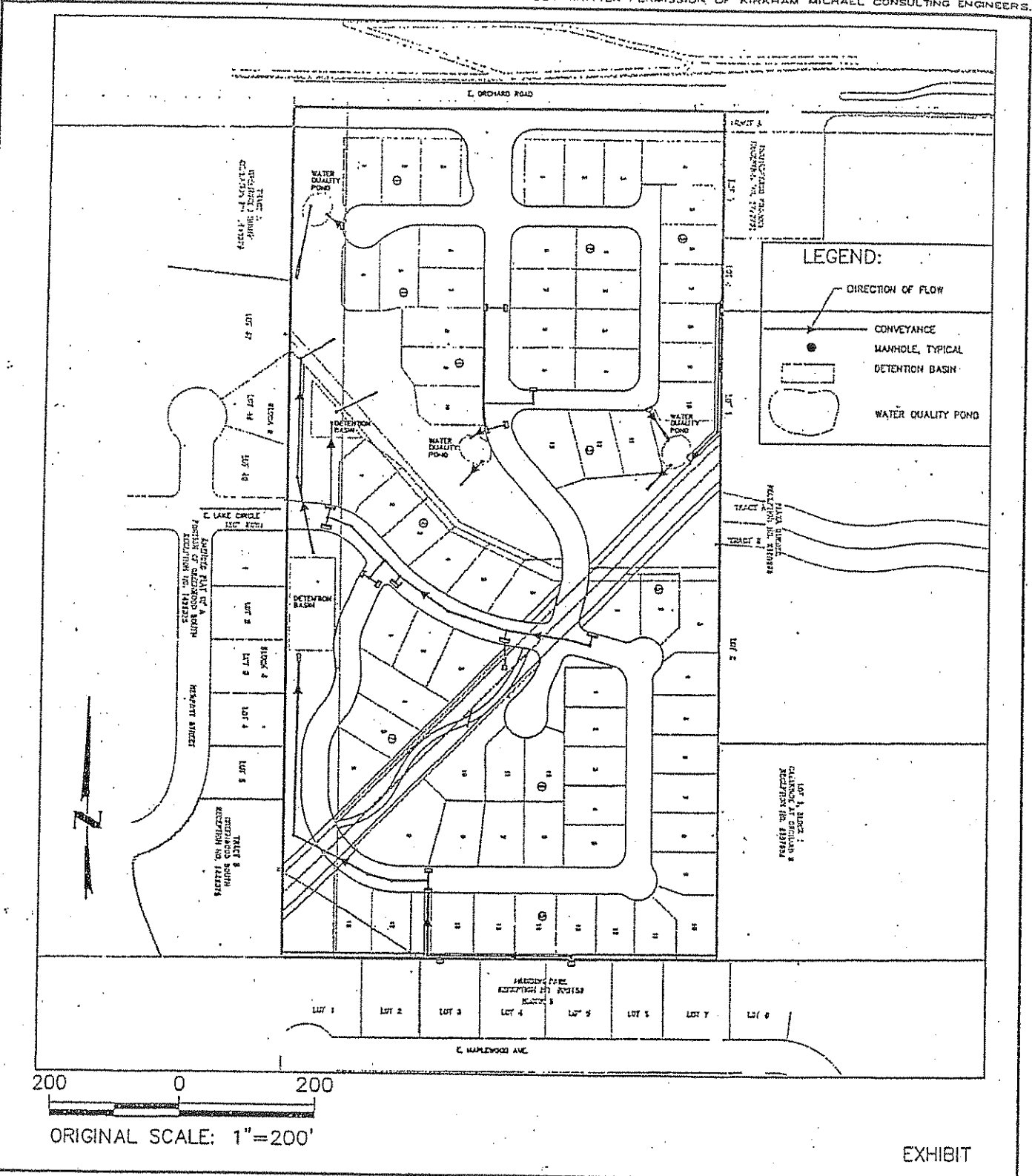
VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 WATER SYSTEM

revisions:



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EXHIBIT

SHEET NO. 1
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 DRAWN: RW
 CHECKED: KMM
 KMA NO. 4-041000

VERONA ESTATES
 METROPOLITAN DIST. 1 & 2
 STORM SEWER
 SYSTEM

revisions:



EXHIBIT F

Financing Plan

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net

MEMORANDUM

TO: Ryan Kriz, Century Communities
Gary White, Esq., White, Bear, and Ankele
Joe Lico, Esq., White, Bear, and Ankele

FROM: Stan Bernstein
Amy Bernstein

DATE: July 31, 2006

SUBJECT: Fourth Draft – Financial Model – Verona Metropolitan Districts #1 and #2

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled Financial Models for Verona Metropolitan Districts #1 and #2 based upon key assumptions provided by officials of Century Communities. The Financial Models were assembled in order to provide a conceptual understanding of the amount of Limited Tax General Obligation Bonds (the Limited G.O. Bonds) that could ultimately be supported by the Verona Metropolitan District #2 (Financing District #2). The Limited G.O. Bonds are assumed to be issued by Financing District #2 to reimburse infrastructure costs funded by Century Communities (the "Developer").

The Financial Model presents, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Model reflects the Developer's judgment, as of the date of this report, of the expected conditions within the District's boundaries and the District's expected course of action. The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

FUTURE RATES OF RESIDENTIAL BUILDOUT AND RELATED ASSESSED VALUATION

The financial planning concept is that as the construction of future residential real estate product occurs within the boundaries of Financing District #2, incremental assessed valuation will generate property tax revenues for Financing District #2.

For financial planning purposes it is assumed that a portion of the property tax revenues generated from the 40 mills assumed to be levied by Financing District #2 will be transferred, pursuant to an Intergovernmental Agreement ("IGA"), to the Service District (Service District #1) and used to pay operating and administrative costs. The property tax revenues generated from Financing District #2 mill levies that are not transferred to Service District #1, will be available to make annual interest and principal payments on outstanding Limited G.O. Bonds.

This draft indicates that Financing District #2 could support approximately \$1,400,000 of Limited G.O. Bonds (assuming 30-year amortization and 7% interest rates) on 12/1/2010, \$1,100,000 of Limited G.O. Bonds (assuming up to 30-year amortization and 6% interest rates) on 12/1/2021, and \$700,000 of Limited G.O. Bonds (assuming up to 30-year amortization and 6% interest rates) on 12/1/2029. It is possible that the Limited G.O. Bonds may be issued sooner depending on various bond marketing strategies, interest rates, and assessed valuation levels. It is also possible that if actual Service District #1 operating and administrative related expenditures are more than assumed on Exhibit I, the amount of Limited G.O. Bonds that could be supported by Financing District #2 could be materially less than indicated above.

The key assumptions with respect to future residential and commercial buildout, and related assessed valuation buildup, within the boundaries of Financing District #2 are presented in detail on Schedule 1. These assumptions were provided by officials of the Developer. The assessed valuation estimates assume a net average annual inflationary increase of approximately 3% (6% biennially) above decreases in assessed valuation caused by The Gallagher Amendment although there can be no assurance that this assumption will actually occur.

The Financial Models are based upon a total of 73 residential units being completed by the end of 2009.

Mr. Ryan Kriz (Century Communities) has provided the information contained in Schedule 1, and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

VERONA METROPOLITAN DISTRICT #1 – CASH FLOW – EXHIBIT I, PAGE 1

Exhibit I presents the estimated revenues and expenditures for Verona Metropolitan District #1 (“Service District #1”). Key revenue sources include (i) Intergovernmental Transfers (pursuant to an IGA between the Service District # 1 and Financing District #2) of property taxes from Financing District #2, assumed to be approximately 20.0 mills in 2007, decreasing to 17.5 mills by 2012, (ii) Developer Operating Contributions totaling \$240,000 during years 2006 through 2010 (these developer advances could be reduced if operating, maintenance, and administrative costs are less than shown on Exhibit I), (iii) Developer Contributions for infrastructure totaling \$4,438,662 during 2007, and (iv) Limited G.O. Bonds during 2010, 2021, and 2029 totaling \$3,072,000 for Financing District #2 assumed to be used to reimburse the developer for a portion of infrastructure costs incurred during 2007.

Operating and administrative expenditure estimates are presented on Exhibit I. Administrative costs are estimated at 20,000 for 2006 and 2007 and include 3% annual increases for years thereafter. District Operating and Maintenance expenditures including streets, drainage, bridges, open space, and trails are estimated at \$20,000 for 2006 and 2007 and assume 3% annual increases for years thereafter. Operating and Maintenance contingency allowances are estimated at 5 mills beginning in 2007. Administrative contingency allowances are estimated to be \$20,000 for 2006 and 2007 and assume 3% annual increases thereafter.

VERONA FINANCING DISTRICT #2 - CASH FLOW – EXHIBIT II, PAGE 5

Exhibit II presents the estimated cash flow of Financing District #2 based upon the assumed rate of buildout presented on Schedule 1.

The primary revenue source is a 40.00 mill levy of which 22.50 mills (at full-buildout) are assumed to be retained by Financing District #2 for payment of the annual debt service relating to approximately \$3,200,000 of Limited G.O. Bonds. Property tax revenues generated from approximately 17.5 mills (at full-buildout) are assumed to be transferred to Service District #1 pursuant to an IGA.

The Limited G.O. Bonds debt service schedule is also presented on Exhibit II. It is assumed that the series 2010 Limited G.O. Bonds will be issued on December 1, in the approximate amount of \$1,400,000 with average interest rates of 7.0% and 30-year amortization. It is assumed that the series 2021 Limited G.O. Bonds will be issued on December 1, in the approximate amount of \$1,100,000 with average interest rates of 6.0% and up to 30-year amortization. It is assumed that the series 2029 Limited G.O. Bonds will be issued on December 1, in the approximate amount of \$700,000 with average interest rates of 6.0% and up to 30-year amortization. Exhibit I indicates all

series 2010 Limited G.O. Bonds could be redeemed by December 31, 2040 and all series 2021 and 2029 Limited G.O. Bond could be redeemed by December 31 2042.

CAPITAL EXPENDITURES – SCHEDULE 2, PAGE 10

Capital infrastructure expenditures (provided by Mr. Ryan Kriz, Century Communities) are presented on Schedule 2, page 10. Estimated infrastructure costs totaling \$4,438,662 are assumed to be funded by the developer in 2007. Approximately 69.21% (\$3,072,000) of the total estimated infrastructure costs could ultimately be recouped by the developer from the issuance of \$3,200,000 of Limited G.O. Bonds issued by Financing District #2. Approximately 30.79% of the total estimated infrastructure costs would ultimately be funded by the Developer.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Financing Districts. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will, vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Model is based upon, we do not vouch for the achievability of the information presented on Exhibits I - II and on Schedules 1 - 2. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibits I - II and on Schedules 1 - 2. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of General Obligation Bonds that could be supported by the Districts will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for the Districts' administrative and operating costs. In the event that the Districts' actual operating and administrative expenses are more than anticipated on Exhibit I, the amount of General Obligation Bonds that could actually be supported by the Districts could be

Memorandum

July 31, 2006

Page 5 of 5

less than shown, and if assessed valuation levels are more than anticipated it could be possible for the Districts to issue additional General Obligation Bonds than shown.

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

ASSESSED VALUATION - VMD #1
 INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)
 CUMULATIVE RESIDENTIAL UNITS - VMD #2
 ASSESSED VALUATION VMD #2 (SCH. 1)
 ASSUMED MILL LEVY TRANSFER FROM VMD #2

CASH FLOW

REVENUES

PROPERTY TAXES @ 40 MILLS
 SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES
 IGA PROPERTY TAX TRANSFERS FROM VMD #2
 LTD. G.O.BOND PROCEEDS - VMD #2
 DEVELOPER OPERATING CONTRIBUTION
 INTEREST EARNINGS @ 2% OF BEG.FUNDS
 TOTAL REVENUES

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)
 DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)
 CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)
 CONTINGENCY FOR ADMINISTRATION (3%/YR)
 TOTAL OPERATING EXPENDITURES

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

TOTAL INFRASTRUCTURE COSTS(SCH. 2)

TOTAL EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

	2008	2009	2010	2011	2012	2013	2014	2015	2016
2008	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
2009	25	23	0	0	0	0	0	0	0
2010	25	73	73	73	73	73	73	73	73
2011	100,000	1,881,000	3,902,920	5,543,508	5,876,113	5,876,113	5,876,113	5,876,113	5,876,113
2012	20,000	20,000	20,000	20,000	17,500	17,500	17,500	17,500	17,500
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2008	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
2009	12	12	12	12	12	12	12	12	12
2010	2,000	37,820	78,058	110,870	102,832	102,832	102,832	102,832	102,832
2011	0	0	1,344,000	0	0	0	0	0	0
2012	60,000	40,000	15,000	0	0	0	0	0	0
2013	0	133	234	403	728	824	881	964	1,045
2014	60,000	78,169	1,437,505	1,114,855	1,033,772	1,033,888	1,110,095	1,110,198	1,116,799
2008	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
2009	20,000	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
2010	0	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
2011	0	9,455	19,515	27,718	29,381	29,381	31,143	31,143	33,012
2012	20,000	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
2013	60,000	73,109	95,078	95,248	98,937	101,024	104,936	107,150	111,268
2014	0	0	1,344,000	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2008	60,000	60,000	62,300	95,248	98,937	101,024	104,936	107,150	111,268
2009	0	5,056	9,426	16,237	4,835	2,845	5,159	3,049	5,501
2010	0	1,712	11,714	20,141	36,378	41,212	44,057	49,216	52,265
2011	0	0	11,714	36,378	41,212	44,057	49,216	52,265	57,765
2012	0	1,712	20,141	36,378	41,212	44,057	49,216	52,265	57,765

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANTS' DISCLAIMER

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

ASSESSED VALUATION - VMD #1	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
CUMULATIVE RESIDENTIAL UNITS - VMD #2	0	0	0	0	0	0	0	0	0	0	0
ASSESSED VALUATION VMD #2 (SCH. 1)	73	73	73	73	73	73	73	73	73	73	73
ASSUMED MILL LEVY TRANSFER FROM VMD #2	6,502,401	6,998,545	6,998,545	7,418,458	7,418,458	7,863,565	7,863,565	8,335,379	8,335,379	8,835,502	8,835,502
	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>	<u>17.50</u>

CASH FLOW

REVENUES

PROPERTY TAXES @ 40 MILLS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	200	200	200	200	200	200	200	200	200	200	200
IGA PROPERTY TAX TRANSFERS FROM VMD #2	12	12	12	12	12	12	12	12	12	12	12
LTD. G.O.BOND PROCEEDS - VMD #2	115,542	122,475	122,475	129,823	129,823	137,612	137,612	145,869	145,869	154,621	154,621
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	1,056,000	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEG.FUND:	1,155	1,221	1,338	1,407	1,532	1,607	1,739	1,819	1,960	2,044	2,194
TOTAL REVENUES	<u>116,909</u>	<u>123,997</u>	<u>124,024</u>	<u>131,442</u>	<u>1,187,567</u>	<u>139,431</u>	<u>139,564</u>	<u>147,900</u>	<u>148,041</u>	<u>156,877</u>	<u>157,027</u>

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	33,012	34,993	34,993	37,092	37,092	39,318	39,318	41,677	41,677	44,178	44,178
CONTINGENCY FOR ADMINISTRATION (3%/YR)	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
TOTAL OPERATING EXPENDITURES	<u>113,647</u>	<u>118,047</u>	<u>120,538</u>	<u>125,204</u>	<u>127,848</u>	<u>132,796</u>	<u>135,600</u>	<u>140,848</u>	<u>143,823</u>	<u>149,388</u>	<u>152,544</u>

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	0	0	0	1,056,000	0	0	0	0	0	0
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TOTAL EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

TOTAL EXPENDITURES	113,647	118,047	120,538	125,204	1,183,848	132,796	135,600	140,848	143,823	149,388	152,544
EXCESS REVENUES & BONDS OVER EXPENDITURES	3,262	5,960	3,486	6,238	3,729	6,635	3,964	7,052	4,218	7,489	4,483
BEGINNING FUND BALANCE - JANUARY 1	57,785	61,028	66,888	70,374	76,612	80,332	86,967	90,831	97,983	102,200	109,690
ENDING FUND BALANCE - DECEMBER 31	61,028	66,888	70,374	76,612	80,332	86,967	90,831	97,983	102,200	109,690	114,173

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2005 THROUGH 2042

KEY ASSUMPTIONS

ASSESSED VALUATION - VMD #1	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
CUMULATIVE RESIDENTIAL UNITS - VMD #2	73	73	73	73	73	73	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	9,365,632	9,365,632	9,927,570	9,927,570	10,523,224	10,523,224	11,154,618	11,154,618	11,823,895	11,823,895	12,533,328
ASSUMED MILL LEVY TRANSFER FROM VMD #2	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50

CASH FLOW

REVENUES

PROPERTY TAXES @ 40 MILLS	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12	12	200	200	200	200	200	200	200	200	200
IGA PROPERTY TAX TRANSFERS FROM VMD #2	163,899	163,899	173,732	173,732	184,156	184,156	195,206	195,206	206,918	206,918	219,333
LTD. G.O. BOND PROCEEDS - VMD #2	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEG. FUNDS	2,283	2,442	2,538	2,706	2,807	2,986	3,093	3,262	3,395	3,595	3,714
TOTAL REVENUES	166,394	838,553	176,482	176,651	187,175	187,354	198,510	198,700	210,525	210,725	223,260

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	46,828	46,828	49,638	49,638	52,616	52,616	55,773	55,773	59,119	59,119	62,667
CONTINGENCY FOR ADMINISTRATION (3%/YR)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
TOTAL OPERATING EXPENDITURES	158,446	161,794	168,053	171,605	178,243	182,012	189,050	193,049	200,513	204,755	212,671

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

TOTAL INFRASTRUCTURE COSTS (SCH. 2)

TOTAL EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

ASSESSED VALUATION - VMD #1
 INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)
 CUMULATIVE RESIDENTIAL UNITS - VMD #2
 ASSESSED VALUATION VMD #2 (SCH. 1)
 ASSUMED MILL LEVY TRANSFER FROM VMD #2

CASH FLOW

REVENUES

PROPERTY TAXES @ 40 MILLS
 SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES
 IGA PROPERTY TAX TRANSFERS FROM VMD #2
 LTD. G.O.BOND PROCEEDS - VMD #2
 DEVELOPER OPERATING CONTRIBUTION
 INTEREST EARNINGS @ 2% OF BEG.FUNDS
 TOTAL REVENUES

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)
 DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)
 CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)
 CONTINGENCY FOR ADMINISTRATION (3%/YR)
 TOTAL OPERATING EXPENDITURES

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

TOTAL INFRASTRUCTURE COSTS(SCH. 2)

TOTAL EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

	2039	2040	2041	2042	TOTALS
ASSESSED VALUATION - VMD #1	5,000	5,000	5,000	5,000	
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	0	0	0	73
CUMULATIVE RESIDENTIAL UNITS - VMD #2	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	12,533,328	13,285,328	13,285,328	14,092,448	
ASSUMED MILL LEVY TRANSFER FROM VMD #2	17.50	17.50	17.50	17.50	
TOTALS	12,533,328	13,285,328	13,285,328	14,092,448	
TOTALS	7,260	200	200	200	7,260
PROPERTY TAXES @ 40 MILLS	12	12	12	12	432
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	219,333	232,493	232,493	246,443	5,264,220
IG A PROPERTY TAX TRANSFERS FROM VMD #2	0	0	0	0	3,072,000
LTD. G.O.BOND PROCEEDS - VMD #2	0	0	0	0	240,000
DEVELOPER OPERATING CONTRIBUTION	3,926	4,052	4,276	4,409	72,787
INTEREST EARNINGS @ 2% OF BEG.FUNDS	223,471	236,757	236,981	251,064	8,656,638
TOTALS	51,502	53,047	54,638	56,277	1,285,519
ADMINISTRATIVE COSTS (3%/YR)	51,502	53,047	54,638	56,277	1,285,519
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	62,667	66,427	66,427	70,412	1,495,822
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	51,502	53,047	54,638	56,277	1,285,519
CONTINGENCY FOR ADMINISTRATION (3%/YR)	217,172	225,567	230,341	239,244	5,352,378
TOTALS	0	0	0	0	3,072,000
TOTALS	0	0	0	0	4,438,662
TOTALS	0	0	0	0	(4,438,662)
TOTALS	217,172	225,567	230,341	239,244	8,424,378
TOTALS	6,300	11,191	6,640	11,820	232,260
TOTALS	196,309	202,609	213,800	220,440	0
TOTALS	202,609	213,800	220,440	232,260	232,260

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANT'S DISCLAIMER

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	0	100,000	100,000	1,891,000	3,902,920	5,543,503	5,876,113	5,876,113	5,229,690	6,228,690	6,602,401	6,602,401
TOTAL DISTRICT MILL LEVY	0.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	0.00	20.00	20.00	20.00	20.00	20.00	17.50	17.50	17.50	17.50	17.50	17.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	25	25	23	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	0	25	50	73	73	73	73	73	73	73	73	73
CASH FLOW												
REVENUES												
PROPERTY TAXES	0	4,000	4,000	75,640	156,117	221,740	235,045	235,045	249,147	249,147	264,096	264,096
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	240	240	4,538	9,367	13,304	14,103	14,103	14,949	14,949	15,846	15,846
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	0	0	42	56	759	2,329	2,366	2,859	3,384	4,007	4,670	5,552
TOTAL REVENUES	0	4,240	4,282	80,234	166,242	237,373	251,513	262,006	267,480	268,103	284,612	285,494
EXPENDITURES												
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	0	2,000	2,000	37,820	78,056	110,870	102,832	102,832	109,002	109,002	115,542	115,542
COUNTY TREASURER 3.0% COLLECTION FEE	0	120	120	2,269	4,684	6,852	7,051	7,051	7,474	7,474	7,923	7,923
ADMINISTRATIVE ALLOWANCE	0	0	1,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	0	2,120	3,620	45,089	87,742	122,722	114,883	114,883	121,476	121,476	128,465	128,465
FUNDS AVAILABLE FOR DEBT SERVICE	0	2,120	662	35,145	78,500	114,651	136,629	137,123	146,003	146,626	156,147	157,029
LTD G.O. BONDS DEBT SERVICE												
SERIES 12/11/2010 @ 7.0%	0	0	0	0	0	98,000	96,950	95,900	94,850	93,450	92,050	90,650
INTEREST @ 7.0%	0	0	0	0	0	15,000	15,000	15,000	20,000	20,000	20,000	20,000
PRINCIPAL REDUCTION	0	0	0	0	0	113,000	111,950	110,900	114,850	113,450	112,050	110,650
TOTAL DEBT SERVICE	0	0	0	0	0	1,395,000	1,370,000	1,355,000	1,335,000	1,315,000	1,295,000	1,275,000
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	1,400,000	1,370,000	1,340,000	1,310,000	1,280,000	1,250,000	1,220,000
SERIES 12/11/2011 @ 6.0%												
INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/11/2023 @ 6.0%												
INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE	0	0	0	0	0	113,000	111,950	110,900	114,850	113,450	112,050	110,650
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	2,120	662	35,145	78,500	1,851	24,679	26,223	31,153	33,176	44,097	46,379
LTD. G.O. BONDS ISSUED	0	0	0	0	1,400,000	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	56,000	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	1,344,000	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	0	2,120	2,782	37,927	116,428	118,279	142,958	169,181	200,334	233,511	277,608
ENDING FUND BALANCE - DECEMBER 31	0	2,120	2,782	37,927	116,428	118,279	142,958	169,181	200,334	233,511	277,608	323,987
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	1,400,000	1,385,000	1,370,000	1,355,000	1,335,000	1,315,000	1,295,000	1,275,000
% OF OUTSTANDING LTD. G.O. BONDS ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	25.25%	23.57%	23.31%	21.75%	21.43%	19.92%	19.61%	18.22%

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
ASSESSED VALUATION (SCH. 1)	6,998,545	6,998,545	7,418,459	7,418,459	7,863,565	7,863,565	8,333,379	8,333,379	8,835,502	8,835,502	9,365,632	9,365,632
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73	73	73	73	73	73	73	73	73	73
CASH FLOW												
REVENUES												
PROPERTY TAXES	279,942	279,942	296,738	296,738	314,543	314,543	333,415	333,415	353,420	353,420	374,625	374,625
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	16,797	16,797	17,804	17,804	18,873	18,873	20,005	20,005	21,205	21,205	22,478	22,478
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	6,480	7,542	8,660	10,034	11,371	11,368	11,325	11,325	11,790	11,790	12,324	13,507
TOTAL REVENUES	303,218	304,280	323,202	324,577	344,787	344,783	364,745	364,745	386,415	386,415	409,845	410,610
EXPENDITURES												
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	122,475	122,475	129,823	129,823	137,612	137,612	145,869	145,869	154,621	154,621	163,899	163,899
COUNTY TREASURER 3.0% COLLECTION FEE	8,398	8,398	8,902	8,902	9,436	9,436	10,002	10,002	10,603	10,603	11,239	11,239
ADMINISTRATIVE ALLOWANCE	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	135,873	135,873	143,725	143,725	152,049	152,049	160,872	160,872	170,224	170,224	180,137	180,137
FUNDS AVAILABLE FOR DEBT SERVICE	167,345	168,407	179,477	180,852	192,738	192,735	203,873	204,120	216,191	216,725	229,707	230,473
LTD G.O. BONDS DEBT SERVICE												
SERIES 12/1/2010 @ 7.0%												
INTEREST @ 7.0%	89,250	87,500	85,750	84,000	81,900	79,800	77,350	74,900	72,100	69,300	66,150	63,000
PRINCIPAL REDUCTION	25,000	25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000	50,000
TOTAL DEBT SERVICE	114,250	112,500	110,750	114,000	111,900	114,800	112,350	114,900	112,100	114,300	111,150	113,000
LTD. G.O. BONDS OUTSTANDING @ 12/31	1,250,000	1,225,000	1,200,000	1,170,000	1,140,000	1,105,000	1,070,000	1,030,000	990,000	945,000	900,000	850,000
SERIES 12/1/2021 @ 6.0%												
INTEREST @ 6.0%	0	0	0	0	66,000	65,100	64,200	63,300	62,400	61,500	60,300	59,100
PRINCIPAL REDUCTION	0	0	0	0	15,000	15,000	15,000	15,000	15,000	20,000	20,000	20,000
TOTAL DEBT SERVICE	0	0	0	0	81,000	80,100	79,200	78,300	77,400	81,500	80,300	79,100
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	1,100,000	1,085,000	1,070,000	1,055,000	1,040,000	1,025,000	1,005,000	985,000	965,000
SERIES 12/1/2029 @ 6.0%												
INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	700,000
TOTAL LIMITED G.O. BONDS DEBT SERVICE	114,250	112,500	110,750	114,000	192,900	194,900	191,550	193,200	189,500	195,800	191,450	192,100
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	59,095	55,907	68,727	66,652	(162)	(2,155)	12,323	10,920	26,691	20,925	38,257	38,373
LTD. G.O. BONDS ISSUED												
COSTS OF BOND ISSUANCE @ 4%	0	0	0	1,100,000	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	44,000	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	323,987	377,082	432,989	501,717	568,568	568,496	568,241	578,564	589,484	616,175	637,100	675,357
ENDING FUND BALANCE - DECEMBER 31	377,982	432,989	501,717	568,568	568,496	568,241	578,564	589,484	616,175	637,100	675,357	713,730
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,250,000	1,225,000	1,200,000	1,200,000	2,225,000	2,175,000	2,125,000	2,070,000	2,015,000	1,950,000	1,885,000	1,816,000
% OF OUTSTANDING LTD. G.O. BONDS ASSESSED VALUATION	17.86%	16.51%	16.18%	26.87%	28.30%	26.09%	25.49%	23.43%	22.81%	20.82%	20.13%	25.39%

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
ASSESSED VALUATION (SCH. 1)	9,927,570	9,927,570	10,523,224	10,523,224	11,154,618	11,154,618	11,823,855	11,823,855	12,533,328	12,533,328	13,285,328	13,285,328
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73	73	73	73	73	73	73	73	73	73
CASH FLOW												
REVENUES												
PROPERTY TAXES	397,103	397,103	420,929	420,929	446,185	446,185	472,956	472,956	501,333	501,333	531,413	531,413
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	23,826	23,826	25,256	25,256	26,771	26,771	28,377	28,377	30,080	30,080	31,885	31,885
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	14,275	14,278	14,294	14,512	14,962	15,552	16,199	17,129	17,945	19,393	20,755	22,300
TOTAL REVENUES	435,204	435,207	460,479	460,797	488,507	488,507	517,532	518,463	549,458	550,806	584,053	585,599
EXPENDITURES												
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	173,732	173,732	184,156	184,156	195,206	195,206	206,918	206,918	219,333	219,333	232,493	232,493
COUNTY TREASURER 3.0% COLLECTION FEE	11,913	11,913	12,628	12,628	13,386	13,386	14,189	14,189	15,040	15,040	15,942	15,942
ADMINISTRATIVE ALLOWANCE	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	190,645	190,646	201,784	201,784	213,591	213,591	226,107	226,107	239,373	239,373	253,436	253,436
FUNDS AVAILABLE FOR DEBT SERVICE	244,558	244,561	258,694	259,012	274,916	274,916	291,425	292,356	310,084	311,433	330,617	332,163
LTD G.O. BONDS DEBT SERVICE												
SERIES 12/1/2010 @ 7.0%												
INTEREST @ 7.0%	59,500	55,650	51,800	47,800	43,050	38,150	32,900	27,300	21,350	15,050	8,050	0
PRINCIPAL REDUCTION	55,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	100,000	115,000	0
TOTAL DEBT SERVICE	114,500	110,650	111,800	112,800	113,050	113,150	112,900	112,300	111,350	115,050	123,050	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	795,000	740,000	680,000	615,000	545,000	470,000	390,000	305,000	215,000	115,000	0	0
SERIES 12/1/2021 @ 6.0%												
INTEREST @ 6.0%	57,900	56,700	55,200	53,700	52,200	50,400	48,600	46,800	44,700	42,600	40,500	38,100
PRINCIPAL REDUCTION	20,000	25,000	29,000	25,000	30,000	30,000	30,000	30,000	35,000	35,000	40,000	40,000
TOTAL DEBT SERVICE	77,900	81,700	84,200	78,700	82,200	80,400	78,600	81,800	79,700	77,600	80,500	78,100
LTD. G.O. BONDS OUTSTANDING @ 12/31	945,000	920,000	895,000	870,000	840,000	810,000	780,000	745,000	710,000	675,000	635,000	595,000
SERIES 12/1/2029 @ 6.0%												
INTEREST @ 6.0%	42,000	41,400	40,800	40,200	39,600	39,000	38,400	37,500	36,600	35,700	34,800	33,900
PRINCIPAL REDUCTION	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL DEBT SERVICE	52,000	51,400	50,800	50,200	49,600	49,000	48,400	47,500	46,600	45,700	44,800	43,900
LTD. G.O. BONDS OUTSTANDING @ 12/31	990,000	960,000	930,000	890,000	850,000	810,000	770,000	730,000	690,000	650,000	610,000	570,000
TOTAL LIMITED G.O. BONDS DEBT SERVICE	244,400	243,750	242,800	241,500	240,850	240,550	240,900	240,600	240,650	240,350	240,350	240,000
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	158	811	15,894	17,512	29,477	32,365	46,525	45,755	67,434	68,083	77,267	205,163
LTD. G.O. BONDS ISSUED												
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1												
ENDING FUND BALANCE - DECEMBER 31	713,730	713,888	714,699	730,594	748,105	777,582	809,949	856,474	902,230	969,664	1,037,747	1,115,014
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	2,430,000	2,340,000	2,245,000	2,145,000	2,035,000	1,920,000	1,795,000	1,660,000	1,520,000	1,370,000	1,200,000	1,145,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	24.48%	22.24%	21.33%	19.23%	18.24%	16.24%	15.18%	13.24%	12.13%	10.31%	9.03%	8.13%

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS

FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

ASSESSED VALUATION (SCH. 1)	2042	TOTALS
TOTAL DISTRICT MILL LEVY	14,082,448	
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	40.00	
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	17.50	
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	0	73
		<u>73</u>

CASH FLOW

<u>REVENUES</u>	2042	TOTALS
PROPERTY TAXES	563,298	11,966,574
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	33,798	717,994
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	26,404	382,933
TOTAL REVENUES	<u>623,499</u>	<u>13,067,501</u>
<u>EXPENDITURES</u>		
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	246,443	5,264,220
COUNTY TREASURER 3.0% COLLECTION FEE	16,899	358,997
ADMINISTRATIVE ALLOWANCE	5,000	171,500
TOTAL EXPENDITURES	<u>268,342</u>	<u>5,794,717</u>

FUNDS AVAILABLE FOR DEBT SERVICE

355,158 1,272,785

LTD G.O. BONDS DEBT SERVICE

SERIES 12/1/2010 @ 7.0%	0	1,993,250
INTEREST @ 7.0%	0	1,400,000
PRINCIPAL REDUCTION	0	3,393,250
TOTAL DEBT SERVICE	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0

SERIES 12/1/2021 @ 6.0%

INTEREST @ 6.0%	35,700	1,125,000
PRINCIPAL REDUCTION	595,000	1,100,000
TOTAL DEBT SERVICE	<u>630,700</u>	<u>2,225,000</u>
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0

SERIES 12/1/2029 @ 6.0%

INTEREST @ 6.0%	33,000	492,900
PRINCIPAL REDUCTION	550,000	700,000
TOTAL DEBT SERVICE	<u>583,000</u>	<u>1,192,900</u>
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0

TOTAL LIMITED G.O. BONDS DEBT SERVICE

1,213,700 6,811,150

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

(858,542) 461,635

LTD. G.O. BONDS ISSUED

0 3,200,000

COSTS OF BOND ISSUANCE @4%

0 128,000

TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS

0 3,072,000

BEGINNING FUND BALANCE - JANUARY 1

1,320,177 0

ENDING FUND BALANCE - DECEMBER 31

481,635 461,635

TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31

0 0

% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION

0.00%

SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2013

WORKING DRAFT
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BUILDOUT - RESIDENTIAL (Source: Century Communities)			
Description of Unit	Planned Number of Homes	Average Per Unit Price	Total Gross Unit Volume
Residential Single Family	73	900,000	65,700,000
Total Residential - Increm.	73	900,000	65,700,000
Total Residential - Cumulat.	73		
Total Project Value			65,700,000

	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
2006	0	25	25	23	0	0	0	0	73
	0	25	25	23	0	0	0	0	73
	0	25	50	73	73	73	73	73	73

Actual Values:	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
Single Family	0	22,500,000	22,500,000	20,700,000	0	0	0	0	65,700,000
Total Actual Values - Incremental	0	22,500,000	22,500,000	20,700,000	0	0	0	0	65,700,000
Total Actual Values - Cumulative	0	22,500,000	45,000,000	65,700,000	65,700,000	65,700,000	65,700,000	65,700,000	65,700,000

Assessed Values (Residential @ 7.96%):	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
Single Family	0	1,791,000	1,791,000	1,647,720	0	0	0	0	5,229,720
Total Assessed Value	0	1,791,000	1,791,000	1,647,720	0	0	0	0	5,229,720
Total Assessed Valuation Vacant Land	100,000	0	0	(100,000)	0	0	0	0	0
Total Assessed Valuation - Incremental	100,000	1,791,000	1,791,000	1,547,720	0	0	0	0	5,229,720
Total Assessed Valuation - Cumulative	100,000	1,891,000	3,682,000	5,229,720	5,229,720	5,229,720	5,229,720	5,229,720	5,229,720
Total Assessed Values - Cum. 6% Biennial Net Increases after 2009	100,000	1,891,000	3,902,920	5,543,503	5,876,113	6,228,680	6,228,680	6,228,680	6,228,680

Year Assessed Valuation Certified To VMD #2	2007	2008	2009	2010	2011	2012	2013	2014	2015
Year Assessed Valuation Certified To VMD #2	2007	2008	2009	2010	2011	2012	2013	2014	2015
Year Taxes Received By VMD #2	2008	2009	2010	2011	2012	2013	2014	2015	

SCHEDULE 2
 VERONA METROPOLITAN DISTRICT #2
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2029

WORKING DRAFT
 SUBJECT TO REVISION
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CAPITAL EXPENDITURES

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	TOTALS	
STREETS	0	834,142	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	834,142
STORM DRAINAGE	0	304,832	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	304,832
SANITARY SEWER	0	199,288	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199,288
WATER	0	285,019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	285,019
DRY UTILITIES	0	114,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	114,000
EARTHWORK	0	633,988	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	633,988
PARKS AND REC	0	111,862	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	111,862
LANDSCAPE	0	1,080,740	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,080,740
ENGINEERING DESIGN	0	185,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	185,400
CITY OF CENTENNIAL COSTS (TRAFFIC, STREAM DRAINAGE)	0	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
ENGINEERING DESIGN CONTINGENCY (15%)	0	24,810	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,810
ENGINEERING CONSTRUCTION CONTINGENCY (15%)	0	372,470	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	372,470
LANDSCAPE CONTINGENCY (15%)	0	162,111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162,111
TOTAL CAPITAL EXPENDITURES	0	4,438,652	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,438,652
TOTAL CAPITAL EXPENDITURES REIMBURSED FROM BONDS	0	0	0	0	1,344,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,344,000
TOTAL CAPITAL EXPEND. CONTRIBUTED FROM DEVELOPER	0	4,438,652	0	0	1,344,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,782,652

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ASSESSED VALUATION - VMD #1	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	25	25	23	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - VMD #2	0	25	50	73	73	73	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	0	100,000	100,000	1,294,000	2,637,280	3,695,669	3,917,409	3,917,409	4,152,453	4,152,453	4,401,601
ASSUMED MILL LEVY TRANSFER FROM VMD #2	0.00	25.00	25.00	25.00	25.00	25.00	23.50	23.50	23.50	23.50	23.50

CASH FLOW

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES											
PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0	0	0	0	0	0
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0	0
IGA PROPERTY TAX TRANSFERS FROM VMD #2	0	2,600	2,500	32,350	65,832	92,392	92,059	92,059	97,583	97,583	103,438
LTD. G.O.BOND PROCEEDS - VMD #2	0	0	0	0	672,000	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	60,000	60,000	65,000	40,000	15,000	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEG.FUNDS	0	0	40	145	192	240	372	438	463	533	560
TOTAL REVENUES	60,000	62,500	67,540	72,495	753,124	92,631	92,431	92,497	98,046	98,116	103,998

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)	20,000	20,000	20,600	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	20,000	20,000	20,600	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	0	500	500	6,470	13,186	18,478	19,587	19,587	20,762	20,762	22,008
CONTINGENCY FOR ADMINISTRATION (3%/YR)	20,000	20,000	20,600	21,218	21,855	22,510	23,165	23,881	24,597	25,335	26,095
TOTAL OPERATING EXPENDITURES	60,000	60,500	62,300	70,124	78,750	86,009	86,143	91,230	94,555	96,768	100,294

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	4,438,662	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	14,438,662	0	0	0	0	0	0	0	0	0

TOTAL EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES	0	2,000	5,240	2,371	2,374	6,623	3,289	1,267	3,491	1,347	3,703
BEGINNING FUND BALANCE - JANUARY 1	0	0	2,000	7,240	9,611	11,985	18,608	21,895	23,162	26,653	28,001
ENDING FUND BALANCE - DECEMBER 31	0	2,000	7,240	9,611	11,985	18,608	21,895	23,162	26,653	28,001	31,704

EXHIBIT 1 (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
ASSESSED VALUATION - VMD #1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - VMD #2	73	73	73	73	73	73	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	4,401,601	4,665,697	4,665,697	4,945,699	4,945,699	5,242,377	5,242,377	5,556,919	5,556,919	5,690,335	5,690,335
ASSUMED MILL LEVY TRANSFER FROM VMD #2	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50

CASH FLOW

REVENUES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0	0	0	0	0	0
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0	0
IGA PROPERTY TAX TRANSFERS FROM VMD #2	103,438	103,644	109,644	116,223	116,223	123,196	123,196	130,568	130,568	138,423	138,423
LTD. G.O.BOND PROCEEDS - VMD #2	0	0	0	0	0	0	552,000	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEG.FUNDS	634	663	741	771	854	886	974	1,008	1,100	1,136	1,234
TOTAL REVENUES	104,072	110,307	110,385	116,994	117,077	124,082	676,170	131,595	131,688	139,558	139,656

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)	26,878	27,685	28,545	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	22,008	23,328	23,328	24,728	24,728	26,212	26,212	27,785	27,785	29,452	29,452
CONTINGENCY FOR ADMINISTRATION (3%/YR)	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122
TOTAL OPERATING EXPENDITURES	102,642	106,383	108,874	112,840	115,484	119,690	122,494	126,955	129,931	134,662	137,818
TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)	0	0	0	0	0	0	552,000	0	0	0	0
DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	102,642	106,383	108,874	112,840	115,484	119,690	674,494	126,955	129,931	134,662	137,818
EXCESS REVENUES & BONDS OVER EXPENDITURES	1,429	3,924	1,511	4,154	1,593	4,392	1,676	4,640	1,757	4,896	1,838
BEGINNING FUND BALANCE - JANUARY 1	31,704	33,133	37,057	38,567	42,721	44,314	48,707	50,352	55,022	56,780	61,676
ENDING FUND BALANCE - DECEMBER 31	33,133	37,057	38,567	42,721	44,314	48,707	50,382	55,022	56,780	61,676	63,514

EXHIBIT I (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
ASSESSED VALUATION - VMD #1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - VMD #2	73	73	73	73	73	73	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	9,243,755	9,243,755	9,618,380	9,618,380	1,015,483	7,015,483	7,436,412	7,436,412	7,892,506	7,892,506	8,355,552
ASSUMED MILL LEVY TRANSFER FROM VMD #2	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50

CASH FLOW

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
REVENUES											
PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0	0	0	0	0	0
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0	0
IGA PROPERTY TAX TRANSFERS FROM VMD #2	146,728	146,728	155,532	155,532	164,864	164,864	174,756	174,756	185,241	185,241	196,355
LTD. G.O. BOND PROCEEDS - VMD #2	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEG. FUNDS	1,270	1,374	1,412	1,521	1,560	1,675	1,716	1,836	1,879	2,005	2,049
TOTAL REVENUES	147,999	148,102	156,944	157,053	166,424	166,539	176,472	176,592	187,120	187,246	198,405
EXPENDITURES											
ADMINISTRATIVE COSTS (3%/YR)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
DISTRICT OPERATING AND MAINTENANCE (Incl. streets, drainage, bridges, open space)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	31,219	31,219	33,092	33,092	35,077	35,077	37,182	37,182	39,413	39,413	41,778
CONTINGENCY FOR ADMINISTRATION (3%/YR)	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002
TOTAL OPERATING EXPENDITURES	142,836	146,185	151,507	155,050	160,704	164,473	170,459	174,458	180,807	185,049	191,783
TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE COSTS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	142,836	146,185	151,507	155,050	160,704	164,473	170,459	174,458	180,807	185,049	191,783
EXCESS REVENUES & BONDS OVER EXPENDITURES	5,162	1,917	5,437	1,993	5,720	2,066	6,012	2,134	6,313	2,199	6,622
BEGINNING FUND BALANCE - JANUARY 1	63,514	68,676	70,593	76,030	78,023	83,743	85,609	91,821	93,955	100,269	102,466
ENDING FUND BALANCE - DECEMBER 31	68,676	70,593	76,030	78,023	83,743	85,609	91,821	93,955	100,269	102,466	109,089

EXHIBIT 1 (SERVICE DISTRICT #1)
 VERONA METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2039	2040	2041	2042	TOTALS
ASSESSED VALUATION - VMD #1	5,000	5,000	5,000	5,000	
INCREMENTAL RESIDENTIAL UNITS ADDED - VMD #2 (SCH. 1)	0	0	0	0	73
CUMULATIVE RESIDENTIAL UNITS - VMD #2	73	73	73	73	73
ASSESSED VALUATION VMD #2 (SCH. 1)	8,355,562	8,856,885	8,856,885	9,358,208	
ASSUMED MILL LEVY TRANSFER FROM VMD #2	23.50	23.50	23.50	23.50	

CASH FLOW

	2039	2040	2041	2042	TOTALS
REVENUES					
PROPERTY TAXES @ 0 MILLS	0	0	0	0	0
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0
IGA PROPERTY TAX TRANSFERS FROM VMD #2	196,355	208,137	208,137	220,625	4,701,829
LTD. G.O.BOND PROCEEDS - VMD #2	0	0	0	0	1,224,000
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	240,000
INTEREST EARNINGS @ 2% OF BEG.FUNDS	2,182	2,227	2,366	2,412	49,468
TOTAL REVENUES	198,537	210,364	210,502	223,037	6,206,287

EXPENDITURES

ADMINISTRATIVE COSTS (3%/YR)	51,502	53,047	54,638	56,277	1,285,519
DISTRICT OPERATING AND MAINTENANCE (incl. streets, drainage, bridges, open space)	51,502	53,047	54,638	56,277	1,285,519
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	41,778	44,284	44,284	46,941	997,891
CONTINGENCY FOR ADMINISTRATION (3%/YR)	51,502	53,047	54,638	56,277	1,285,519
TOTAL OPERATING EXPENDITURES	196,283	203,425	208,199	215,773	4,854,448

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

	0	0	0	0	1,224,000
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DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

	0	0	0	0	4,438,662
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TOTAL INFRASTRUCTURE COSTS(SCH. 2)

	0	0	0	0	(4,438,662)
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TOTAL EXPENDITURES

	196,283	203,425	208,199	215,773	5,078,448
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EXCESS REVENUES & BONDS OVER EXPENDITURES

	2,255	6,939	2,304	7,263	127,849
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BEGINNING FUND BALANCE - JANUARY 1

	109,089	111,343	118,282	120,586	0
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ENDING FUND BALANCE - DECEMBER 31

	111,343	118,282	120,586	127,849	127,849
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EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANTS' DISCLAIMER

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	0	100,000	100,000	1,294,000	2,637,280	3,695,669	3,917,409	3,917,409	4,152,453	4,152,453	4,401,601	4,401,601
TOTAL DISTRICT MILL LEVY	0.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	0.00	25.00	25.00	25.00	25.00	25.00	23.50	23.50	23.50	23.50	23.50	23.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	25	25	23	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	0	25	50	73	73	73	73	73	73	73	73	73
CASH FLOW												
REVENUES												
PROPERTY TAXES	0	4,000	4,000	51,760	105,481	147,827	156,696	156,696	166,098	166,098	176,064	176,064
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	240	240	3,106	6,329	8,870	9,402	9,402	9,966	9,966	10,564	10,564
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	0	0	32	35	355	1,117	1,157	1,294	1,447	1,701	1,974	2,355
TOTAL REVENUES	0	4,240	4,272	54,901	112,176	157,813	167,255	167,392	177,511	177,765	188,602	189,983
EXPENDITURES												
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	0	2,500	2,500	32,350	65,932	92,392	92,059	92,059	97,583	97,583	103,438	103,438
COUNTY TREASURER 3.0% COLLECTION FEE	0	120	120	1,553	3,165	4,435	4,701	4,701	4,983	4,983	5,282	5,282
ADMINISTRATIVE ALLOWANCE	0	0	1,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	0	2,620	4,120	38,903	74,097	101,827	101,760	101,760	107,566	107,566	113,720	113,720
FUNDS AVAILABLE FOR DEBT SERVICE	0	1,620	1,152	15,998	38,079	55,987	65,495	65,632	69,946	70,200	74,883	75,263
LTD G.O. BONDS DEBT SERVICE												
SERIES 12/1/2010 @ 7.0%	0	0	0	0	0	49,000	48,650	47,950	47,250	46,550	45,850	45,150
INTEREST @ 7.0%	0	0	0	0	0	5,000	10,000	10,000	10,000	10,000	10,000	10,000
PRINCIPAL REDUCTION	0	0	0	0	0	54,000	58,650	57,950	57,250	56,550	55,850	55,150
TOTAL DEBT SERVICE	0	0	0	0	0	995,000	685,000	675,000	665,000	655,000	645,000	635,000
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	700,000	0	0	0	0	0	0	0
SERIES 12/1/2023 @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE	0	0	0	0	0	54,000	58,650	57,950	57,250	56,550	55,850	55,150
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	1,620	152	15,998	38,079	1,987	6,845	7,682	12,696	13,650	19,033	20,113
LTD. G.O. BONDS ISSUED												
COSTS OF BOND ISSUANCE @4%	0	0	0	0	700,000	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	28,000	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	0	1,620	1,772	17,771	55,850	57,637	64,682	72,363	85,059	98,709	117,741
ENDING FUND BALANCE - DECEMBER 31	0	1,620	1,772	17,771	55,850	57,637	64,682	72,363	85,059	98,709	117,741	137,854
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	700,000	695,000	685,000	675,000	665,000	655,000	645,000	635,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	18.94%	17.74%	17.49%	16.26%	15.01%	14.88%	14.65%	13.61%

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
KEY ASSUMPTIONS											
ASSESSED VALUATION (SCH. 1)	4,665,697	4,665,697	4,945,639	4,945,639	5,242,377	5,242,377	5,556,919	5,556,919	5,890,335	5,890,335	6,249,755
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73	73	73	73	73	73	73	73	73
CASH FLOW											
REVENUES											
PROPERTY TAXES	186,628	186,628	197,826	197,826	209,655	209,655	222,277	222,277	235,613	235,613	249,750
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	11,198	11,198	11,870	11,870	12,662	12,662	13,337	13,337	14,137	14,137	14,985
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	2,757	3,275	3,717	4,288	4,892	5,633	6,411	6,446	6,516	6,640	6,806
TOTAL REVENUES	200,583	201,100	213,412	213,983	227,168	227,910	242,024	242,060	256,266	256,390	271,541
EXPENDITURES											
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	109,644	109,644	116,223	116,223	123,196	123,196	130,588	130,588	138,423	138,423	146,728
COUNTY TREASURER 3.0% COLLECTION FEE	5,599	5,599	5,935	5,935	6,291	6,291	6,668	6,668	7,068	7,068	7,493
ADMINISTRATIVE ALLOWANCE	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	120,243	120,243	127,157	127,157	134,487	134,487	142,256	142,256	150,491	150,491	159,221
FUNDS AVAILABLE FOR DEBT SERVICE	80,340	80,858	86,255	86,826	92,682	93,423	99,768	99,804	105,775	105,899	112,320
LTD G.O. BONDS DEBT SERVICE											
SERIES 12/1/2010 @ 7.0%											
INTEREST @ 7.0%	44,450	43,750	42,700	41,650	40,600	39,550	38,500	37,100	35,700	34,300	32,900
PRINCIPAL REDUCTION	10,000	15,000	15,000	15,000	15,000	15,000	20,000	20,000	20,000	20,000	25,000
TOTAL DEBT SERVICE	54,450	58,750	57,700	56,650	55,600	54,550	58,500	57,100	55,700	54,300	57,900
LTD. G.O. BONDS OUTSTANDING @ 12/31	525,000	510,000	595,000	580,000	565,000	550,000	530,000	510,000	490,000	470,000	445,000
SERIES 12/1/2023 @ 6.0%											
INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE	54,450	58,750	57,700	56,650	55,600	54,550	58,500	57,100	55,700	54,300	57,900
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	25,890	22,108	28,555	30,176	37,082	38,873	1,768	3,504	9,175	8,299	11,720
LTD. G.O. BONDS ISSUED											
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	137,854	163,744	185,852	214,407	244,583	281,665	320,538	322,306	325,810	331,965	340,284
ENDING FUND BALANCE - DECEMBER 31	163,744	185,852	214,407	244,583	281,665	320,538	322,306	325,810	331,965	340,284	352,004
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	625,000	610,000	595,000	580,000	565,000	550,000	530,000	510,000	490,000	470,000	445,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	13.40%	12.33%	12.05%	11.06%	10.73%	10.25%	19.80%	18.25%	17.74%	16.26%	15.70%

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
ASSESSED VALUATION (SCH. 1)	6,243,755	6,618,380	6,618,380	7,015,483	7,015,483	7,436,412	7,436,412	7,882,596	7,882,596	8,355,552	8,355,552
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73	73	73	73	73	73	73	73	73

CASH FLOW

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
REVENUES											
PROPERTY TAXES	249,750	264,735	264,735	280,619	280,619	297,456	297,456	315,304	315,304	334,222	334,222
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	14,985	15,884	15,884	16,837	16,837	17,847	17,847	18,918	18,918	20,053	20,053
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	7,040	7,326	7,798	8,225	8,856	9,454	10,174	10,875	11,622	12,461	13,368
TOTAL REVENUES	271,775	287,945	288,417	305,682	306,313	324,758	325,477	345,097	346,944	367,937	368,244
EXPENDITURES											
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	146,728	155,532	155,532	164,864	164,864	174,756	174,756	185,241	185,241	196,355	196,355
COUNTY TREASURER 3.0% COLLECTION FEE	7,493	7,942	7,942	8,419	8,419	8,924	8,924	9,459	9,459	10,027	10,027
ADMINISTRATIVE ALLOWANCE	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	159,221	168,474	168,474	178,282	178,282	188,679	188,679	199,700	199,700	211,382	211,382
FUNDS AVAILABLE FOR DEBT SERVICE	112,555	119,471	119,943	127,399	128,030	136,079	136,798	145,397	146,343	155,655	156,862

LTD G.O. BONDS DEBT SERVICE

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
SERIES 12/1/2010 @ 7.0%											
INTEREST @ 7.0%	31,150	29,400	27,650	25,550	23,450	21,000	18,550	15,750	12,950	9,800	6,650
PRINCIPAL REDUCTION	25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000	50,000
TOTAL DEBT SERVICE	56,150	54,400	57,650	55,550	58,450	56,000	58,550	55,750	57,950	54,800	56,650
LTD. G.O. BONDS OUTSTANDING @ 12/31	420,000	395,000	369,000	335,000	300,000	265,000	225,000	185,000	140,000	95,000	45,000

SERIES 12/1/2023 @ 6.0%

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
INTEREST @ 6.0%	32,100	31,500	30,900	30,300	29,700	29,100	28,200	27,300	26,400	25,500	24,600
PRINCIPAL REDUCTION	10,000	10,000	10,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL DEBT SERVICE	42,100	41,500	40,900	40,300	39,700	44,100	43,200	42,300	41,400	40,500	39,600
LTD. G.O. BONDS OUTSTANDING @ 12/31	525,000	515,000	505,000	495,000	485,000	470,000	455,000	440,000	425,000	410,000	395,000

TOTAL LIMITED G.O. BONDS DEBT SERVICE

	98,250	95,900	98,550	95,850	98,150	100,100	101,750	99,050	99,350	95,300	96,250
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EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

	14,305	23,571	21,393	31,549	29,880	35,979	35,048	47,347	46,993	60,355	60,612
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LTD. G.O. BONDS ISSUED

	0	0	0	0	0	0	0	0	0	0	0
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COSTS OF BOND ISSUANCE @4%

	0	0	0	0	0	0	0	0	0	0	0
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TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS

	0	0	0	0	0	0	0	0	0	0	0
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BEGINNING FUND BALANCE - JANUARY 1

	352,004	365,308	399,880	411,273	442,822	472,703	508,681	543,729	551,076	538,069	698,424
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ENDING FUND BALANCE - DECEMBER 31

	366,308	389,880	411,273	442,822	472,703	508,681	543,729	591,076	638,069	698,424	759,036
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TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31

	945,000	910,000	870,000	830,000	785,000	735,000	680,000	625,000	565,000	505,000	440,000
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% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION

	14.28%	13.75%	12.40%	11.83%	10.56%	9.89%	8.63%	7.93%	6.76%	5.04%	4.97%
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EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS	2041	2042	TOTALS
ASSESSED VALUATION (SCH. 1)	8,856,885	9,388,298	
TOTAL DISTRICT MILL LEVY	40.00	40.00	
ASSUMED MILL LEVY TRANSFER TO VMD #1 FOR OPS	23.50	23.50	
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	73
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73

CASH FLOW	2041	2042	TOTALS
REVENUES			
PROPERTY TAXES	354,275	375,532	7,983,129
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	21,257	22,532	478,988
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	15,191	19,202	228,213
TOTAL REVENUES	390,713	417,266	8,690,330

EXPENDITURES	2041	2042	TOTALS
IGA PAYMENT TO VMD #1 FOR ADMIN (SERVICE DISTRICT)	208,137	220,625	4,701,829
COUNTY TREASURER 3.0% COLLECTION FEE	10,628	11,266	239,494
ADMINISTRATIVE ALLOWANCE	5,000	5,000	171,500
TOTAL EXPENDITURES	223,765	236,891	5,112,823

FUNDS AVAILABLE FOR DEBT SERVICE	2041	2042	TOTALS
LTD G.O. BONDS DEBT SERVICE	166,946	169,450	169,375
SERIES 12/1/2010 @ 7.0%	3,150	0	986,650
INTEREST @ 7.0%	45,000	0	700,000
PRINCIPAL REDUCTION	48,150	0	1,686,650
TOTAL DEBT SERVICE	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0

FUNDS AVAILABLE FOR DEBT SERVICE	2041	2042	TOTALS
LTD G.O. BONDS DEBT SERVICE	91,850	42,500	376,300
SERIES 12/1/2023 @ 6.0%	23,700	21,300	551,700
INTEREST @ 6.0%	20,000	355,000	575,000
PRINCIPAL REDUCTION	43,700	376,300	1,126,700
TOTAL DEBT SERVICE	375,000	355,000	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	2041	2042	TOTALS
LTD. G.O. BONDS ISSUED	0	0	1,275,000
COSTS OF BOND ISSUANCE @4%	0	0	51,000
TRANSFER OF NET BOND PROCEEDS TO VMD #1 FOR CAPITAL IMPROVEMENTS	0	0	1,224,000
BEGINNING FUND BALANCE - JANUARY 1	759,036	934,133	960,083
ENDING FUND BALANCE - DECEMBER 31	834,133	960,083	764,157
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	375,000	355,000	0
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	4.23%	3.78%	0.00%

SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
 VERONA METROPOLITAN DISTRICT #2
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2013

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANTS' DISCLAIMER

BUILDOUT - RESIDENTIAL (Source: Century Communities)			
Description of Unit	Planned Number of Homes	Average Per Unit Price	Total Gross Unit Volume
Residential			
Single Family	73	600,000	43,800,000
Total Residential - Increm.	73	600,000	43,800,000
Total Residential - Cumulat.	73		
Total Project Value			43,800,000

	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
0	0	25	25	23	0	0	0	0	73
0	0	25	25	23	0	0	0	0	73
0	0	25	50	73	73	73	73	73	73

Actual Values:

Single Family	0	15,000,000	15,000,000	13,800,000	0	0	0	0	43,800,000
Total Actual Values - Incremental	0	15,000,000	15,000,000	13,800,000	0	0	0	0	43,800,000
Total Actual Values - Cumulative	0	15,000,000	30,000,000	43,800,000	43,800,000	43,800,000	43,800,000	43,800,000	43,800,000

Assessed Values (Residential @ 7.96%):

Single Family	0	1,194,000	1,194,000	1,098,480	0	0	0	0	3,486,480
Total Assessed Value	0	1,194,000	1,194,000	1,098,480	0	0	0	0	3,486,480
Total Assessed Valuation Vacant Land	100,000	0	0	1100,000	0	0	0	0	0
Total Assessed Valuation - Incremental	100,000	1,194,000	1,194,000	988,480	0	0	0	0	3,486,480
Total Assessed Valuation - Cumulative	100,000	1,294,000	2,488,000	3,486,480	3,486,480	3,486,480	3,486,480	3,486,480	3,486,480
Total Assessed Values - Cum. 6% Biennial Net Increases after 2009	100,000	1,294,000	2,637,280	3,695,669	3,917,409	3,917,409	4,152,453	4,152,453	4,152,453

Year Assessed Valuation Certified To VMD #2	2007	2008	2009	2010	2011	2012	2013	2014	2015
Year Taxes Received By VMD #2	2008	2009	2010	2011	2012	2013	2014	2015	

SCHEDULE 2
 VERONA METROPOLITAN DISTRICT #2
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2012

WORKING DRAFT
 SUBJECT TO REVISION
 12-Jan-06
 SEE CONSULTANTS' DISCLAIMER

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTALS	
CAPITAL EXPENDITURES																				
STREETS	0	834,142	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	834,142
STORM DRAINAGE	0	304,832	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	304,832
SANITARY SEWER	0	199,268	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199,268
WATER	0	286,019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	286,019
DRY UTILITIES	0	114,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	114,000
EARTHWORK	0	633,988	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	633,988
PARKS AND REC	0	111,882	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	111,882
LANDSCAPE	0	1,080,740	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,080,740
ENGINEERING DESIGN	0	165,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	165,400
CITY OF CENTENNIAL COSTS (TRAFFIC, STREAM DRAINAGE)	0	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
ENGINEERING DESIGN CONTINGENCY (15%)	0	24,810	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,810
ENGINEERING CONSTRUCTION CONTINGENCY (15%)	0	372,470	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	372,470
LANDSCAPE CONTINGENCY (15%)	0	162,111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162,111
TOTAL CAPITAL EXPENDITURES	0	4,438,662	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,438,662
TOTAL CAPITAL EXPENDITURES REIMBURSED FROM BONDS	0	0	0	0	572,000	0	0	0	0	0	0	0	0	0	0	0	0	552,000	1,224,000	27.58%
TOTAL CAPITAL EXPEND. CONTRIBUTED FROM DEVELOPER	0	4,438,662	0	0	(672,000)	0	0	0	0	0	0	0	0	0	0	0	0	(552,000)	3,214,662	72.42%

EXHIBIT G

Disclosure Form

GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING

VERONA ESTATES METROPOLITAN DISTRICT NOS. 1 AND 2

1. What are the Verona Estates Metropolitan District Nos. 1 and 2?

Answer: Colorado special districts are local governments and subdivisions of the State of Colorado -- just like cities, towns and counties. Special districts are formed to provide necessary public services that, for a variety of reasons, cities, towns and counties cannot.

Verona Estates Metropolitan Districts Nos. 1 and 2 (the "Districts") were organized pursuant to Orders of the Arapahoe County District Court following election held in November 2006 at which time a majority of the eligible electors voted in favor of the formation of the Districts, elected members to the initial boards of directors and voted in favor of certain tax and debt authorization. You are receiving this Disclosure because you live in the Verona Estates community and are within the legal boundaries of the Verona Estates Metropolitan Districts.

Pursuant to a "Consolidated Service Plan," a copy of which may be requested from the Districts, the Districts have responsibility for coordination and cooperation with respect to financing and constructing major public utilities and roads within, and adjacent to, their boundaries. In addition, the Districts will be responsible for continued operation and maintenance of certain landscaping and recreational amenities within the boundaries of the Districts. Other improvements, not maintained by the Districts, will be the responsibility of the City or a private entity established for such purposes.

[In the case of the Verona Estates community, the Verona Estates Metropolitan Districts also have the authority to operate and maintain certain public amenities and to enforce the Covenants, Conditions and Restrictions for the community. It is very important to familiarize yourself with the Residential Improvement Guidelines prior to making any type of change to the exterior of your home or your property.]

2. May the Districts Impose Fees Upon Me as a Property Owner?

Answer: Yes. Colorado law expressly authorizes special districts to adopt and charge fees for services, subject to certain restrictions. The Districts' Consolidated Service Plan does not otherwise restrict the Districts from imposing fees and taxes but does contain a maximum on both the mill levy and debt ceiling. These fees for services that the Districts provide may include, but are not limited to, fees for general operations. All District fees and rates may be adopted and/or amended from time to time by the Districts' board of directors at their discretion, as permitted by law and pursuant to the provisions of the Service Plan. All fees imposed by the Districts constitute liens against the lots, which each owner will be required to pay on an ongoing basis.

In addition to limitations imposed by law, market constraints require that fees within the Districts be comparable to fees in competing development areas in order to further the community as an attractive place for individuals to buy homes. Therefore, it is in the best interest to maintain fees in the Districts comparable to the total fees paid in other similar communities so that the fees

paid for the amenities and services in the Districts are a good value.

3. May the Districts Impose Taxes Upon Me as a Property Owner?

Answer: Yes. Colorado law expressly authorizes the Districts to impose property taxes for all of the activities identified in their Consolidated Service Plan. The Districts are further authorized to issue bonds to provide for the costs of capital improvements within their boundaries. In order to meet the debt service for the bonds, and to pay operations and maintenance costs associated with provision of services, the Districts may impose mill levies under their Consolidated Service Plan. The District mill levy cap is fifty (50) mills, but may be adjusted upward or downward over time as permitted by the Consolidated Service Plan as discussed below. In addition, various voter limitations exist which affect the taxing powers of the Districts, including maximum annual taxing limitations and expenditure limitations.

4. What are the Limits on the Districts' Abilities to Assess Property Taxes?

Answer: As a general matter, the Districts are limited to a mill levy of fifty (50) mills for debt service, subject to the provisions of the Service Plan discussed below. There is not a Service Plan limitation to the mill levies that may be imposed for general operations or administrative services provided by the Districts. The Districts' Service Plan provides as follows with respect to the debt service mill levy:

a. For the portion of any aggregate debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy assessed to repay such portion of the debt is not subject to a maximum.

b. For the portion of any aggregate Debt which exceeds 50% of the District's assessed valuation, the maximum mill levy for such portion of Debt is fifty (50) mills less the number of mills necessary to pay the unlimited mill levy Debt described in Section 4.a. above.

c. The mill levy limit described in section 4.b., above, is subject to change if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement. Under such circumstances, the Board will be determine any such change in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2005, are neither diminished nor enhanced as a result of such changes.

Market constraints also require that the mill levy within the Districts be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to buy homes. Therefore, it is in both the Districts' and the project developers' best interest to maintain mill levies in the Districts comparable to the total property taxes paid in other similar communities so that the property taxes paid for the amenities and services in the Districts are a good value.

5. Where can I get Additional Information Regarding the Districts?

Answer: This document is not intended to address all issues associated with special districts generally or with the Districts specifically. More information may be obtained by contacting the Districts' general counsel, White, Bear & Ankele Professional Corporation, 1805 Shea Center Drive, Suite 100, Highlands Ranch, Colorado 80129, (303) 858-1800, or by attending District meetings. Confirmation of the meeting times and dates and future dates may be obtained by calling the Districts' general counsel. The Districts are also required to keep minutes and other records, which are open for inspection by any citizen, hold elections for the boards of directors, adopt annual budgets, and submit to financial audits.

I, _____, hereby acknowledge that I have received and read this GENERAL DISCLOSURE REGARDING VERONA ESTATES METROPOLITAN DISTRICT NOS. 1 and 2.

Buyer	Lot	Address	Date
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Buyer	Lot	Address	Date
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**ADDENDUM NO. 1-1 TO THE
GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
VERONA ESTATES METROPOLITAN DISTRICT NO. 1
(2005 HOMEOWNER OPERATIONS FEES AND
OVERLAPPING MILL LEVIES)**

TAXING AUTHORITY	2005 MILL LEVY ¹
School District #5 (Cherry Creek) (0501)	51.575
Arapahoe County (2998)	15.421
City of Centennial (3013)	5.031
Arapahoe Library District (4026)	4.963
South Metro Fire Rescue (4100)	9.250
Regional Transportation District (4528)	0.00
Urban Drainage & Flood Control (4712)	0.532
Urban Drainage and Flood Control (South Platte) (4713)	0.065
W. Arapahoe Conservation District (4744)	0.00
Southgate Sanitation District (4630)	0.653
Southgate Water District (4640)	0.00
South Suburban Park and Recreation (4650)	7.117
TOTAL OVERLAPPING MILL LEVY	94.607

¹ Please note that the taxing authorities and mill levies noted herein are believed to be applicable to all properties within the Verona Estates community. However, for the most accurate information on a specific parcel of property, the Arapahoe County Treasurer's office should be contacted directly.

**ADDENDUM NO. 1-2 TO THE
GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
VERONA ESTATES METROPOLITAN DISTRICT NO. 2
(2005 HOMEOWNER OPERATIONS FEES AND
OVERLAPPING MILL LEVIES)**

TAXING AUTHORITY	2005 MILL LEVY²
School District #5 (Cherry Creek) (0501)	51.575
Arapahoe County (2998)	15.421
City of Centennial (3013)	5.031
Arapahoe Library District (4026)	4.963
South Metro Fire Rescue (4100)	9.250
Regional Transportation District (4528)	0.00
Urban Drainage & Flood Control (4712)	0.532
Urban Drainage and Flood Control (South Platte) (4713)	0.065
W. Arapahoe Conservation District (4744)	0.00
Southgate Sanitation District (4630)	0.653
Southgate Water District (4640)	0.00
South Suburban Park and Recreation (4650)	7.117
TOTAL OVERLAPPING MILL LEVY	94.607

² Please note that the taxing authorities and mill levies noted herein are believed to be applicable to all properties within the Verona Estates community. However, for the most accurate information on a specific parcel of property, the Arapahoe County Treasurer's office should be contacted directly.

**ADDENDUM NO. 2 TO THE
GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
VERONA ESTATES METROPOLITAN DISTRICT NOS. 1 AND 2**

**GENERAL FORMULA FOR ASSESSMENT
OF RESIDENTIAL PROPERTY**

1. Assessor's office makes a market value determination based upon sales prices of comparable homes in the area (the "Market Property Valuation").
2. Market Property Valuation is multiplied by the assessment rate which is set every odd numbered year and as of January 1, 2005, was 7.96%. The current assessment rate can be obtained from the County Assessor's Office (Market Property Valuation times the assessment rate = Assessment Valuation).
3. Applicable Mill Levy is applied to the Assessment Valuation, resulting in the total assessment to the residential property.

For example, a home and property sold for \$300,000 should have a "market value" of \$300,000. Applying the 7.96% valuation factor produces an assessed valuation of \$23,880. One mill (.001) applied to that assessed valuation produces \$23.88 of additional taxes. The District's projected mill levy of 50.000 mills results in \$99.50 in additional taxes each month, or \$1,194.00 each year. Using 94.607 mills as the total overlapping taxation level, the homeowner would have an annual tax bill of \$3453.22.

EXHIBIT B

LEGAL DESCRIPTION OF THE DISTRICTS