

**CITY OF CENTENNIAL,
COLORADO**

RESOLUTION NO. 2015-R-61

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CENTENNIAL, COLORADO, APPROVING THE FIRST AMENDMENT
TO THE SERVICE PLAN FOR THE VERONA ESTATES
METROPOLITAN DISTRICT NOS. 1 AND 2, AND CONSENTING TO
THE DISSOLUTION OF DISTRICT NO. 2**

WHEREAS, the Verona Estates Metropolitan District Nos. 1 and 2 (the "Districts") were duly formed in accordance with §§ 32-1-101 *et seq.*, C.R.S. (the "Special District Act") and an order of formation was duly entered of record by the Arapahoe County District Court on January 5, 2007 in Case No. 2006CV5662; and

WHEREAS, the Districts are located entirely within the boundaries of the City of Centennial, Colorado (the "City"); and

WHEREAS, the Service Plan for the Districts (the "Service Plan") was considered and approved by City Council on September 6, 2006; and

WHEREAS, the Boards of Directors of the Districts seek to amend the Service Plan to: (1) increase the total debt issuance limitation from \$4,000,000 to \$6,000,000; (2) to clarify that District No. 1 will have the power to provide covenant enforcement and design review services, as authorized by the Special District Act; (3) to acknowledge the name change of District No. 1 to the "Marvella Metropolitan District"; and (4) to inform City Council of the planned dissolution of District No. 2; and

WHEREAS, by written Order Granting Petition for Name Change dated September 3, 2015 ("Name Change Order"), the Arapahoe County District Court has consented to the name change petition submitted by District No. 1 seeking to change the official name of District No. 1 the Marvella Metropolitan District; and

WHEREAS, a copy of the Name Change Order was duly recorded on September 4, 2015 at Reception No. D5101252 in the real property records of Arapahoe County, Colorado; and

WHEREAS, Century Communities is the developer of the property located within the boundaries of the Districts (the "Project"); and

WHEREAS, the name of the Project was at some point changed from Verona Estates to Marvella; and

WHEREAS, the name change of District No. 1 to Marvella Metropolitan District will clarify the District's relationship to the Project; and

WHEREAS, the Board of Directors of District No. 2 has considered, or is scheduled to consider, a resolution setting forth that it is in the best interests of District No. 2 to be dissolved pursuant to Section 32-1-701(1), C.R.S.; and

WHEREAS, the City has further been advised that (a) District No. 2 has no financial obligations or outstanding bonds, and (b) District No. 2 does not provide any services; and

WHEREAS, the City Council desires to memorialize its consent to the proposed dissolution of District No. 2; and

WHEREAS, a copy of the proposed First Amendment to the Service Plan for Verona Estates Metropolitan District No. 1 (now known as the Marvella Metropolitan District) and Verona Estates Metropolitan District No. 2 (the "Amendment"), as submitted to the City by the Boards of Directors of the Districts is attached to this Resolution as **Exhibit A** and is incorporated herein by reference; and

WHEREAS, the City Council conducted a public hearing on October 5, 2015 on the proposed Amendment; and

WHEREAS, notice of the hearing before the City Council was duly published in The Villager, a newspaper of general circulation within the City, on September 10, 2015, and notice of the hearing was otherwise provided as required by Section 4-10-100 of the Municipal Code; and

WHEREAS, the City Council has considered the Amendment and all other testimony and evidence presented at the hearing; and

WHEREAS, the City Council finds that the Amendment should be approved subject to the conditions as set forth herein, if any,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Centennial, Colorado as follows:

Section 1. The City Council hereby finds and determines that all of the relevant requirements of the Special District Act and of Article 10 of Chapter 4 of the Municipal Code relating to the filing of the Amendment have been fulfilled, that notice of the hearing was given in the time and manner required by law, and that City Council has jurisdiction to act on the Amendment.

Section 2. The City Council further determines that all pertinent facts, matters and issues were submitted at the public hearing; that all interested parties were heard or had the opportunity to be heard; and that evidence satisfactory to the City Council on each of the applicable criteria set forth in Sections 4-10-180 and 4-10-110(b) of the Municipal Code was presented.

Section 3. The Amendment, in the form attached to this Resolution as **Exhibit A** is hereby approved without conditions.

Section 4. The City Council consents to the proposed dissolution of District No. 2 and authorizes the City Attorney's Office to take, on behalf of the City, and in cooperation with counsel for District No. 2 or the Marvella Metropolitan District, any act necessary to complete the dissolution of District No. 2 in accordance with Part 7 of the Special District Act.

Section 5. The District shall cause a copy of this resolution to be filed with the Arapahoe County District Court and the Division of Local Government within thirty (30) days of

the effective date of this resolution, and shall submit proof of such filings to the City Clerk's office on or before December 31, 2015.

Section 6. This resolution shall be effective immediately upon approval by the City Council.

Adopted by a vote of 9 in favor and 0 against, this 5th day of October, 2015.

By: Cathy A. Noon
Cathy A. Noon, Mayor

ATTEST:

Approved as to Form:

By: [Signature]
City Clerk or Deputy City Clerk

By: [Signature]
For City Attorney's Office

EXHIBIT A
First Amendment to the Service Plan for
Verona Estates Metropolitan District No. 1 (now known as the Marvella Metropolitan
District) and Verona Estates Metropolitan District No. 2

FIRST AMENDMENT TO THE

SERVICE PLAN

FOR

VERONA ESTATES METROPOLITAN DISTRICT NO. 1

(NOW KNOWN AS MARVELLA METROPOLITAN DISTRICT)

AND VERONA ESTATES METROPOLITAN DISTRICT NO. 2

CITY OF CENTENNIAL, COLORADO

Prepared

By

McGeady Sisneros, P.C.
450 E. 17th Avenue, Suite 400
Denver, Co 80203-1254

Approved: October 19, 2015

INTRODUCTION

On September 6, 2006, the City Council of the City of Centennial, Colorado (the “**City**”) approved a Consolidated Service Plan (the “**2006 Consolidated Service Plan**”) for Verona Estates Metropolitan District Nos. 1 & 2 (the “**Districts**”). The Districts were organized on January 5, 2007, by recordation of respective Orders and Decrees in the office of the Arapahoe County Clerk and Recorder.

This document is being presented pursuant to Section 32-1-207, C.R.S., and Section 4-10-180 of the Centennial Municipal Code, and shall be referred to as the First Amendment to the 2006 Consolidated Service Plan (the “**Amendment**”).

1. The Districts were organized to acquire, construct, complete, install, finance, and/or operate and maintain certain public improvements within and without the Districts’ boundaries, as described in the 2006 Consolidated Service Plan and modified by any subsequent inclusions or exclusions.

2. The 2006 Consolidated Service Plan proposed Verona Estates Metropolitan District No. 1 (“**District No. 1**”) act as the Operating District, expected to coordinate the financing, construction, operations and maintenance of all Public Improvements, and Verona Estates Metropolitan District No. 2 (“**District No. 2**”) act as the Taxing District.

3. The Board of Directors for both District No. 1 and District No. 2 have determined it is in the best interests of the inhabitants of the Districts for the property located with District No. 2 to be included into the boundaries of District No. 1, and to proceed with the dissolution of District No. 2 pursuant to Section 32-1-701, C.R.S, *et. seq.*

4. District No. 2 has no assets to dispose of and no financial obligations or outstanding Debt.

5. The Board of Directors of District No. 1 desired to change District No. 1’s name to “Marvella Metropolitan District” to clarify its relationship to the development known as Marvella, and commenced proceedings to effectuate such name change. Pursuant to that certain Order Granting Petition for Name Change entered by the Arapahoe County District Court on September 3, 2015, a copy of which was duly recorded on September 4, 2015, at Reception No. D5101252 in the real property records of Arapahoe County, Colorado, District No. 1 is now known as Marvella Metropolitan District.

6. Such a change of District No. 1’s name was in the best interest of District No. 1 and will promote the health, safety, and prosperity of District No. 1 and its future taxpayers and residents.

7. District No. 1 has no outstanding Debt and no creditors will be affected by the change of name.

8. The Total Debt Issuance Limitation that the Districts are permitted to issue pursuant to the 2006 Consolidated Service Plan shall not exceed Four Million Dollars

(\$4,000,000). The 2006 Consolidated Service Plan was prepared and approved in 2006, and as such, the costs, figures, and assumptions were based on 2006 dollars.

9. An updated financial plan has been prepared by Stan Bernstein and Associates (the “**Financial Plan**”), which supports the potential bonding capacity for the District in the amount of Six Million Dollars (\$6,000,000). It is estimated that Century Communities, its successors and assigns (the “**Developer**”) will advance funds to District No. 1 (now known as the Marvella Metropolitan District) sufficient to construct the District’s infrastructure estimated at Eight Million Dollars (\$8,000,000). It is assumed that General Obligation Bonds in the amount of Three Million Eight Hundred Thousand Dollars (\$3,800,000) will be issued in late 2019, and in the amount of One Million Three Hundred Thousand Dollars (\$1,300,000) in late 2028, totaling Five Million One Hundred Thousand Dollars (\$5,100,000) in 2015 dollars (the “**Bonds**”).

10. Pursuant to the 2006 Consolidated Service Plan, the Districts are vested with the power and authority to provide the District Improvements, as defined in the 2006 Consolidated Service Plan, 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 limitation set forth in the 2006 Consolidated Service Plan.

11. Section 31-2-1004(8), C.R.S., of the Special District Act, provides for the provision of covenant enforcement and design review services by Title 32 metropolitan districts. It is the intent of the Districts to operate in place of an owners association, and pay for the costs associated with covenant enforcement and design review services by the imposition of an operations and maintenance mill levy.

12. As provided in the 2006 Consolidated Service Plan, 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.

13. The Boards of Directors of the Districts (the “Boards”), in petitioning the City Council for the service plan amendment, have represented to the City that the increase in the Total Debt Issuance Limitation, the clarification of the covenant enforcement and design review power, the dissolution of District No. 2, and the name change of District No. 1 to “Marvella Metropolitan District”, shall result in a benefit to District No. 1 and to the taxpayers and the future residents of District No. 1.

14. Capitalized terms not defined herein shall have the same meanings set forth in the 2006 Consolidated Service Plan.

AMENDMENTS

The 2006 Consolidated Service Plan is hereby amended as set forth herein:

1. The following defined terms are hereby added to Section II. Definitions:

Covenant Enforcement and Design Review Services: means those services authorized under Section 32-1-1004(8), C.R.S.

Districts: means the Verona Estates Metropolitan District No. 1 and 2. Any reference to "Districts" in this Service Plan shall, post-dissolution of District No. 2, refer exclusively to District No. 1, now known as the Marvella Metropolitan District.

2. The following defined term in Section II. Definitions, is hereby amended to read as follows, with deletions shown in strike-through text and additions shown in underlined text:

District No. 1: means the Verona Estates Metropolitan District No. 1, now known as the Marvella Metropolitan District in accordance with the Order Granting Petition for Name Change entered of record by the Arapahoe County District Court on September 3, 2015, and a copy of which was duly recorded on September 4, 2015, at Reception No. D5101252 in the real property records of Arapahoe County, Colorado.

3. The first paragraph of Section V.A is hereby amended to read as follows, with deletions shown in strike-through text and additions shown in underlined text:

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, as amended from time to time, 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;~~ and Covenant Enforcement and Design Review; 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)~~ Six Million Dollars (\$6,000,000), (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.

4. Section V.A. is hereby amended to include the following as section V.A.11:

11. Covenant Enforcement and Design Review. The Districts shall have the power to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts, as applicable, as the enforcement or design review entity. The Districts shall have the power to provide

covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished. The City shall not bear any responsibility for covenant enforcement or design review services within the boundaries of the Districts.

5. Section V.A.6 is hereby amended to read as follows, with deletions shown in strike-through text, and additions shown in underlined text:

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

6. Section VI.A is hereby amended to read as follows, with deletions shown in strike-through text, and additions shown in underlined text:

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)~~ Six Million Dollars (\$6,000,000) 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~~ their 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.

7. The last paragraph of Section VI.H is hereby amended to read as follows, with deletions shown in strike-through text, and additions shown in underlined text:

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. However, without the prior written consent of the City, the Districts' shall not impose or collect property taxes in excess of One Million Dollars (\$1,000,000) annually for operations and maintenance services. Any written consent provided by the City to the Districts to increase the \$1,000,000 limitation for operations and maintenance provided above, shall not be deemed to be a material modification of the Service Plan as provided in Section V.A., as amended.

8. **Exhibit F** to the 2006 Consolidated Service Plan is hereby replaced in its entirety with **Exhibit F**, attached hereto and incorporated herein by reference.

9. **Exhibit G** to the 2006 Consolidated Service Plan is hereby replaced in its entirety with **Exhibit G**, attached hereto and incorporated herein by reference.

10. All language in the 2006 Consolidated Service Plan not amended by this Amendment shall remain in effect as written.

EXHIBIT F
Financial Plan (2015)

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

PO Box 5342

Vail, CO 81658

970-390-9162 amy.bernstein.greer@gmail.com

July 23, 2015

Verona Estates Metropolitan District
c/o Century Communities
8390 E. Crescent Parkway
Suite 650 Greenwood, Village, CO 80111

Scope and Limitations of Engagement

We have compiled the accompanying estimate of potential bonding capacity for the Verona Estates Metropolitan District ("the District"). A compilation is limited to presenting information and assumptions that are those of the proponents of the District, and does not include independently verifying the accuracy of the information or assumptions.

Assumptions

The following key assumptions have been provided by Century Communities ("the Developer"), and form the basis of the estimate of potential bonding capacity for the District.

1. A total of 73 homes with average market values in the amount of \$850,000 are expected to be completed at full buildout. It is assumed that the market values of the homes will increase by an average of 3% every year beginning for tax reassessment year 2017.
2. 12 homes are expected to be completed during 2015, 48 homes are expected to be completed during 2016, and 13 homes are expected to be completed in 2017.
3. The debt service mill levy is expected to be 50.00 mills beginning for tax collection year 2018 when it is expected that general obligation bonds will first be issued. The operating/administrative mill levy is expected to be 42.00 mills and is expected to fund administrative costs of the District (i.e., legal, accounting, audit, insurance, etc.), as well as grounds maintenance expenses (including utilities), mosquito control and replacement reserves and contingencies. Most of these

Assumptions (continued)

administrative and operating costs are typically funded by a HOA, but since they will be funded from the District through tax deductible property taxes instead of non-tax deductible assessments, it is expected that property owners will realize substantial savings. The combined debt service and operating mill levy is expected to be 92.00 mills, although it appears that the assumed 50.00 mill debt service levy could be reduced over time depending upon the rate of property appreciation.

4. It is assumed that the Developer will advance funds to the District during 2015 sufficient to construct the District's infrastructure estimated at \$8.0 million.
5. It is assumed that General Obligation bonds in the amount of \$3,800,000 will be issued on December 1, 2019, and in the amount of \$1,300,000 on December 1, 2028. These two bond issues total \$5,100,000 and will be used to reimburse the Developer for infrastructure costs in the amount of \$4.896 million (after deducting bond issuance costs and debt service reserve funds).
6. Operating expenditures have been inflated by a factor of 3% annually beginning in 2016. It is assumed that the Developer will advance funds for the payment of administrative costs during years 2015 through 2017.
7. Average interest rates of 6.50% have been assumed based upon a maximum of 30-year level debt service. It is assumed that issuance costs will be funded from bond proceeds (\$152,000 for the first bond issue, and \$52,000 for the second bond issue). Depending upon assessed valuation levels, interest rates, and municipal bond market conditions it is also possible that only one bond issue totaling \$3,800,000 could be issued by the District, or that the second bond issue could be accelerated.
8. As described above, administrative and operating costs are assumed to be funded from an operating mill levy of 42.0 mills. During the early years of the District it appears that it could be necessary for the Developer to advance funds for the payment of administrative costs with repayment expected as the tax base increases.
9. Specific Ownership Tax revenues have been calculated based on applying a factor of 6.0% to annual property tax revenues.
10. It is assumed that the County Treasurer's collection fee will be 1.5% property tax revenues.
11. Interest earnings on accumulated funds available are assumed to average 0.25% annually.

Estimate of Potential Bonding Capacity

Based upon the above assumptions, the attached Exhibit I indicates a potential bonding capacity of approximately \$5,100,000. This estimate assumes average home value inflation of approximately 3% per year beginning for tax collection year 2018. If the annual rate of inflation exceeds 3% per year the amount of bonds that could be supported would exceed \$5,100,000; conversely if average home appreciation is less than 3% annually, it might not be possible to amortize the assumed \$5,100,000 bond issue over a 30 year period.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Plan 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 District. 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 and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, 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 (and disclaim any opinion) of the information presented on the accompanying Exhibit I and Schedule 1. 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 Exhibit I and Schedule 1. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this report.

Very truly yours,

Amy Greer (for the firm)

Stan Bernstein and Associates, Inc.

EXHIBIT I
VERONA METROPOLITAN DISTRICT
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2060

WORKING DRAFT
SUBJECT TO REVISION
23-Jul-15
SEE CONSULTANTS' DISCLAIMER

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH 1)	100,000	100,000	100,000	911,920	4,408,176	5,235,531	5,549,663	5,549,663	5,892,642	5,892,642	6,235,601	6,235,601
DEBT SERVICE MILL LEVY	0.00	0.00	0.00	0.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
ADMINISTRATIVE/OPERATIONS MILL LEVY	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
TOTAL DISTRICT MILL LEVY (50 MILLS FOR DEBT)	42.00	42.00	42.00	42.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH 1)	12	12	48	13	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH 1)	0	12	60	73	73	73	73	73	73	73	73	73
CASH FLOW												
REVENUES												
PROPERTY TAXES - OPERATIONS AND ADMINISTRATION	0	4,200	4,200	38,301	185,185	219,892	233,086	233,086	247,071	247,071	261,895	261,895
PROPERTY TAXES - DEBT SERVICE	0	0	0	0	220,459	281,777	277,483	277,483	294,132	294,132	311,760	311,760
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	252	252	2,298	11,111	13,194	13,985	13,985	14,824	14,824	15,714	15,714
DEVELOPER OPERATING CONTRIBUTION (REPAYMENTS)	0	200,000	210,000	170,000	0	0	0	0	0	0	0	0
DEVELOPER ADVANCES FOR INFRASTRUCTURE	0	8,000,000	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	0	8,204,452	214,583	317	215	4,022	9,317	9,329	9,263	9,633	9,990	10,705
TOTAL REVENUES	0	126	126	1,149	5,556	6,597	6,953	6,993	7,412	7,412	7,857	7,857
EXPENDITURES												
COUNTY TREASURER 3.0% COLLECTION FEE	0	8,000,000	126	126	0	0	0	0	0	0	0	0
INFRASTRUCTURE EXPENDITURES	0	197,757	203,690	209,900	216,094	222,577	229,255	236,132	243,216	250,513	258,028	265,769
DISTRICT OPERATING AND MAINTENANCE (SCH 3) 3% ANNUAL INCREASES	0	0	1,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	0	8,197,869	205,316	215,949	225,650	234,174	241,247	248,125	255,628	262,925	270,855	278,626
TOTAL EXPENDITURES	0	8,197,869	205,316	215,949	225,650	234,174	241,247	248,125	255,628	262,925	270,855	278,626
FUNDS AVAILABLE FOR DEBT SERVICE	0	6,559	9,268	(5,034)	190,321	284,711	292,624	285,759	309,692	302,736	328,434	321,469
LTD. TAX G.O. (CONVERTIBLE TO ULT. TAX) BONDS												
SERIES 12/1/2019 @ 6.5%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.5%	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 12/1/2028 @ 6.5%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.5%	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	0	0	0	0	0	0	0
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	6,559	9,268	(5,034)	190,321	284,711	292,624	285,759	309,692	302,736	328,434	321,469
GROSS BOND ISSUES												
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	0	0	0
REIMBURSE DEVELOPER FOR INFRASTRUCTURE COSTS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	0	6,569	15,837	10,803	201,124	465,835	465,459	463,142	481,654	496,490	535,274
ENDING FUND BALANCE - DECEMBER 31	0	6,569	15,837	10,803	201,124	465,835	465,459	463,142	481,654	496,490	535,274	565,697
SERIES 2019 BONDS DSRF	0	0	0	0	0	290,000	290,000	290,000	290,000	290,000	290,000	290,000
SERIES 2028 BONDS DSRF	0	6,569	15,837	10,803	201,124	175,835	176,459	173,142	191,654	206,490	245,274	275,697
RESTRICTED FOR FUTURE DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EXHIBIT I
VERONA METROPOLITAN DISTRICT
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2050

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
KEY ASSUMPTIONS											
ASSESSED VALUATION (SCH 1)	5,609,737	5,609,737	7,006,321	7,006,321	7,426,701	7,426,701	7,872,303	7,872,303	8,344,641	8,344,641	8,845,319
DEBT SERVICE MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	44.00	44.00	44.00
ADMINISTRATIVE/OPERATIONS MILL LEVY	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
TOTAL DISTRICT MILL LEVY (60 MILLS FOR DEBT)	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	86.00	86.00	86.00
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 - OPERATIONS AND ADMINISTRATION	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PROPERTY TAXES - DEBT SERVICE	277,609	277,609	294,265	294,265	311,921	311,921	330,637	330,637	350,475	350,475	371,503
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	330,487	330,487	350,316	350,316	371,335	371,335	393,615	393,615	367,164	367,164	389,194
DEVELOPER OPERATING CONTRIBUTION REPAYMENTS	16,657	16,657	17,656	17,656	18,715	18,715	19,838	19,838	21,028	21,028	22,290
DEVELOPER ADVANCES FOR INFRASTRUCTURE	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	636,095	637,202	653,667	653,667	677,227	677,227	718,376	718,376	755,973	755,973	800,124
EXPENDITURES											
COUNTY TREASURER 3.0% COLLECTION FEE	8,328	8,328	8,828	8,828	9,356	9,356	9,919	9,919	10,514	10,514	11,145
INFRASTRUCTURE EXPENDITURES	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OPERATING AND MAINTENANCE (SCH 3) 3% ANNUAL INCREASES	273,742	281,954	290,413	299,125	308,099	317,342	326,962	336,668	346,768	357,171	367,866
CONTINGENCY FOR OPERATING AND MAINTENANCE (3 MILLS)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	287,070	289,282	304,241	312,953	322,457	331,700	341,781	351,987	362,282	372,685	384,031
FUNDS AVAILABLE FOR DEBT SERVICE	348,995	341,920	371,426	364,274	395,920	396,739	418,684	409,381	393,590	383,275	416,092
LTD. TAX G.O. (CONVERTIBLE TO U.L.T. TAX) BONDS											
SERIES 12/12/2019 @ 6.5%											
INTEREST @ 6.5%	227,175	222,950	218,400	213,525	208,325	202,800	196,950	190,775	184,275	177,450	169,975
PRINCIPAL REDUCTION	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	120,000
TOTAL DEBT SERVICE	292,175	292,950	293,400	293,525	293,325	292,800	291,950	289,775	289,275	287,450	292,975
LTD. G.O. BONDS OUTSTANDING @ 12/31	3,430,000	3,360,000	3,285,000	3,205,000	3,120,000	3,030,000	2,935,000	2,835,000	2,730,000	2,615,000	2,495,000
SERIES 12/12/2028 @ 6.5%											
INTEREST @ 6.5%	0	0	0	0	84,500	83,525	82,550	81,250	79,950	78,650	77,350
PRINCIPAL REDUCTION	0	0	0	0	15,000	15,000	20,000	20,000	20,000	20,000	20,000
TOTAL DEBT SERVICE	0	0	0	0	99,500	98,525	102,550	101,250	99,950	98,650	97,350
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	1,285,000	1,270,000	1,250,000	1,230,000	1,210,000	1,190,000	1,170,000
TOTAL LIMITED G.O. BONDS DEBT SERVICE	292,175	292,950	293,400	293,525	392,825	391,325	394,500	392,025	389,225	391,100	397,325
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	56,820	46,970	78,026	70,749	3,095	14,585	24,184	17,356	4,365	(7,825)	28,767
GROSS BOND ISSUES	0	0	0	1,300,000	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	52,000	0	0	0	0	0	0	0
REIMBURSE DEVELOPER FOR INFRASTRUCTURE COSTS	0	0	0	1,248,000	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	555,667	622,488	671,457	749,483	820,232	823,327	818,741	842,924	860,261	864,626	856,801
ENDING FUND BALANCE - DECEMBER 31	622,488	671,457	749,483	820,232	823,327	818,741	842,924	860,261	864,626	856,801	886,588
SERIES 2019 BONDS DSRR	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
SERIES 2028 BONDS DSRR	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
RESTRICTED FOR FUTURE DEBT SERVICE	332,488	381,457	459,483	450,232	433,327	428,741	452,924	470,261	474,626	466,801	495,588
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	3,430,000	3,360,000	3,285,000	3,205,000	3,120,000	3,030,000	2,935,000	2,835,000	2,730,000	2,615,000	2,495,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	51.89%	47.96%	46.89%	60.65%	59.51%	54.62%	53.16%	46.71%	47.22%	49.02%	47.43%

EXHIBIT I
VERNONA METROPOLITAN DISTRICT
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2050

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
KEY ASSUMPTIONS											
ASSESSED VALUATION (SCH. 1)	8,845,319	9,378,038	9,378,038	9,398,601	9,398,601	10,534,917	10,534,917	10,534,917	11,187,012	11,187,012	11,837,032
DEBT SERVICE MILL LEVY	44.00	39.00	38.00	38.00	38.00	38.00	38.00	38.00	42.00	42.00	34.00
ADMINISTRATIVE/OPERATIONS MILL LEVY	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
TOTAL DISTRICT MILL LEVY (50 MILLS FOR DEBT)	86.00	81.00	80.00	80.00	80.00	80.00	80.00	80.00	84.00	84.00	76.00
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 - OPERATIONS AND ADMINISTRATION	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
PROPERTY TAXES - DEBT SERVICE	371,503	393,794	393,794	417,421	417,421	442,466	442,466	469,014	469,014	497,155	497,155
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	389,194	356,289	356,289	377,667	377,667	400,327	400,327	379,678	379,678	402,459	402,459
DEVELOPER OPERATING CONTRIBUTION (REPAYMENTS)	22,290	23,628	23,628	25,045	25,045	25,548	25,548	28,141	28,141	29,829	29,829
DEVELOPER ADVANCES FOR INFRASTRUCTURE	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	17,711	17,959	17,959	17,589	17,589	17,954	18,719	19,189	19,643	19,772	20,681
TOTAL REVENUES	800,698	791,670	791,598	837,722	838,071	897,305	898,080	956,032	956,477	949,195	950,125
EXPENDITURES											
COUNTY TREASURER 3.0% COLLECTION FEE	11,145	11,814	11,814	12,523	12,523	13,274	13,274	14,070	14,070	14,915	14,915
INFRASTRUCTURE EXPENDITURES	0	0	0	0	0	0	0	0	0	0	0
DISTRICT OPERATING AND MAINTENANCE (SCH. 3) 3% ANNUAL INCREASES	378,823	390,291	401,999	414,059	426,481	438,275	452,454	466,027	480,008	494,408	509,241
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	395,098	407,104	418,813	431,582	444,004	457,549	470,728	485,098	499,079	514,323	529,155
FUNDS AVAILABLE FOR DEBT SERVICE	405,631	384,566	372,785	406,140	394,067	429,756	417,333	410,935	397,398	434,843	420,970
LTD. TAX G.O. (CONVERTIBLE TO ULT. TAX) BONDS											
SERIES 12/1/2019 @ 6.5%											
INTEREST @ 6.5%	162,175	153,725	144,950	135,525	125,450	114,725	103,350	91,000	78,000	64,025	49,400
PRINCIPAL REDUCTION	130,000	135,000	145,000	155,000	165,000	175,000	190,000	200,000	215,000	225,000	240,000
TOTAL DEBT SERVICE	292,175	288,725	289,950	290,525	290,450	289,725	293,350	291,000	293,000	289,025	289,400
LTD. G.O. BONDS OUTSTANDING @ 12/31	2,365,000	2,230,000	2,085,000	1,930,000	1,765,000	1,590,000	1,400,000	1,200,000	985,000	760,000	520,000
SERIES 12/1/2008 @ 6.5%											
INTEREST @ 6.5%	76,090	74,425	72,800	71,175	69,225	67,275	65,000	62,725	60,450	57,650	55,250
PRINCIPAL REDUCTION	25,000	25,000	25,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	45,000
TOTAL DEBT SERVICE	101,090	99,425	97,800	101,175	99,225	102,275	100,000	97,725	97,450	97,650	100,250
LTD. G.O. BONDS OUTSTANDING @ 12/31	1,145,000	1,120,000	1,096,000	1,065,000	1,035,000	1,000,000	965,000	920,000	890,000	850,000	825,000
TOTAL LIMITED G.O. BONDS DEBT SERVICE	393,225	398,150	397,750	391,700	398,675	392,000	393,350	398,725	393,450	396,675	399,650
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	12,405	(3,584)	(14,985)	14,440	4,332	37,756	23,983	22,210	3,948	47,968	31,320
GROSS BOND ISSUES	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	0	0
REIMBURSE DEVELOPER FOR INFRASTRUCTURE COSTS	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	885,588	897,974	894,390	879,425	893,955	898,197	935,953	959,936	982,145	986,084	1,034,061
ENDING FUND BALANCE - DECEMBER 31	897,974	894,390	879,425	893,955	898,197	935,953	959,936	982,145	986,084	1,034,061	1,065,361
SERIES 2019 BONDS DS9F	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
SERIES 2028 BONDS DS9F	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
RESTRICTED FOR FUTURE DEBT SERVICE	507,974	504,390	489,425	503,955	508,197	545,953	599,936	592,145	596,084	644,061	675,361
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	3,510,000	3,350,000	3,180,000	2,995,000	2,800,000	2,590,000	2,385,000	2,130,000	1,875,000	1,610,000	1,326,000
% OF OUTSTANDING LTD. G.O. BONDS ASSESSED VALUATION	37.44%	36.73%	32.00%	30.14%	26.93%	24.93%	21.19%	19.07%	15.84%	13.60%	10.56%

EXHIBIT I
VERONA METROPOLITAN DISTRICT
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2050

	2048	2049	2050	TOTALS
KEY ASSUMPTIONS				
ASSESSED VALUATION (SCH. 1)	12,547,264	12,547,264	13,300,089	
DEBT SERVICE MILL LEVY	34.00	34.00	34.00	
ADMINISTRATIVE/OPERATIONS MILL LEVY	42.00	42.00	42.00	
TOTAL DISTRICT MILL LEVY (50 MILLS FOR DEBT)	76.00	76.00	76.00	
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	73	73	73	73

CASH FLOW

	2048	2049	2050	TOTALS
REVENUES				
PROPERTY TAXES - OPERATIONS AND ADMINISTRATION	526,985	526,985	558,604	11,860,980
PROPERTY TAXES - DEBT SERVICE	426,607	426,607	452,203	11,791,506
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	31,819	31,819	33,516	771,659
DEVELOPER OPERATING CONTRIBUTION (PREPAYMENTS)	0	0	(580,000)	0
DEVELOPER ADVANCES FOR INFRASTRUCTURE	21,308	22,705	24,120	8,000,000
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	1,006,518	1,007,919	488,443	505,873
TOTAL REVENUES	2,013,237	2,017,226	2,056,886	32,870,017

	2048	2049	2050	TOTALS
EXPENDITURES				
COUNTY TREASURER 3.0% COLLECTION FEE	15,810	15,810	16,758	355,829
INFRASTRUCTURE EXPENDITURES	0	0	0	8,000,000
DISTRICT OPERATING AND MAINTENANCE (SCH. 3) 3% ANNUAL INCREASES	524,518	540,253	556,461	12,513,261
CONTINGENCY FOR OPERATING AND MAINTENANCE (5 MILLS)	5,000	5,000	5,000	171,500
TOTAL EXPENDITURES	545,327	561,063	578,219	21,040,590

	2048	2049	2050	TOTALS
FUNDS AVAILABLE FOR DEBT SERVICE	461,191	446,856	(89,776)	11,829,427
LTD. TAX G.O. (CONVERTIBLE TO ULT. TAX) BONDS				
SERIES 12/1/2019 @ 6.5%	33,800	16,900	0	4,921,475
INTEREST @ 6.5%	260,000	260,000	0	3,800,000
PRINCIPAL REDUCTION	293,800	278,900	0	8,721,475
TOTAL DEBT SERVICE	290,000	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31				
SERIES 12/1/2028 @ 6.5%	52,325	48,400	46,150	1,447,875
INTEREST @ 6.5%	45,000	50,000	710,000	1,300,000
PRINCIPAL REDUCTION	97,325	99,400	756,150	2,747,875
TOTAL DEBT SERVICE	760,000	710,000	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	391,125	376,300	756,150	11,469,350

	2048	2049	2050	TOTALS
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	70,066	70,556	(845,926)	360,077
GROSS BOND ISSUES	0	0	0	5,100,000
COSTS OF BOND ISSUANCE @ 4%	0	0	0	204,000
REIMBURSE DEVELOPER FOR INFRASTRUCTURE COSTS	0	0	0	4,896,000

	2048	2049	2050	TOTALS
BEGINNING FUND BALANCE - JANUARY 1	1,085,381	1,135,446	1,206,003	0
ENDING FUND BALANCE - DECEMBER 31	1,135,446	1,206,003	360,077	360,077
SERIES 2019 BONDS DSRF	100,000	100,000	0	0
SERIES 2028 BONDS DSRF	1,085,446	1,106,003	260,077	0
RESTRICTED FOR FUTURE DEBT SERVICE	1,020,000	710,000	0	0
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	8,133%	5,344%	0.007%	0
% OF OUTSTANDING LTD. G.O. BONDSASSESSED VALUATION				

SCHEDULE 1 (RESIDENTIAL DISTRICT)
 VERONA METROPOLITAN DISTRICT
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2021

WORKING DRAFT
 SUBJECT TO REVISION
 23-44-15
 SEE CONSULTANTS' DISCLAIMER

Description of Unit	Planned Number of Homes	Average Per Unit Price	Total		2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
			Gross Unit Volume										
Residential													
Single Family	73	850,000	62,050,000		0	12	48	13	0	0	0	0	73
Total Residential - Increm.	73	850,000	62,050,000		0	12	48	13	0	0	0	0	73
Total Residential - Cumul.	73				0	12	60	73	73	73	73	73	73
Total Project Value			62,050,000										

Actual Values:

Single Family	0	10,200,000	40,800,000	11,050,000	0	0	0	0	0	0	0	0	62,050,000
Total Actual Values - Incremental	0	10,200,000	40,800,000	11,050,000	0	0	0	0	0	0	0	0	62,050,000
Total Actual Values - Cumulative	0	10,200,000	51,000,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000	62,050,000

Assessed Values (Residential @ 7.96%):

Single Family	0	811,920	3,247,680	879,580	0	0	0	0	0	0	0	0	4,939,180
Total Assessed Value	0	811,920	3,247,680	879,580	0	0	0	0	0	0	0	0	4,939,180
Total Assessed Valuation Vacant Land	100,000	0	0	(100,000)	0	0	0	0	0	0	0	0	0
Total Assessed Valuation - Incremental	100,000	811,920	3,247,680	779,580	0	0	0	0	0	0	0	0	4,939,180
Total Assessed Valuation - Cumulative	100,000	911,920	4,159,600	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180	4,939,180
Total Assessed Values - Cum. 6% Biennial Net Increases after 2017	100,000	911,920	4,409,176	5,235,531	5,549,653	5,549,653	5,549,653	5,549,653	5,549,653	5,549,653	5,549,653	5,549,653	5,549,653

Year Assessed Valuation Certified To VMD #1

Year Assessed Valuation Certified To VMD #1	2015	2016	2017	2018	2019	2020	2021	2022	2023
Year Taxes Received By VMD #1	2016	2017	2018	2019	2020	2021	2022	2023	

SCHEDULE 2
VERONA METROPOLITAN DISTRICT
CAPITAL EXPENDITURES
FOR THE YEARS ENDING DECEMBER 31, 2014 THROUGH 2031

WORKING DRAFT
SUBJECT TO REVISION
23-Apr-15
SEE CONSULTANTS' DISCLAIMER

CAPITAL EXPENDITURES	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTALS
STREETS	0	834,142	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	304,832
SANITARY SEWER	0	199,268	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199,268
WATER	0	285,019	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	114,000
EARTHWORK	0	633,988	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	111,882
LANDSCAPE	0	1,080,740	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	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	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	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	372,470
LANDSCAPE CONTINGENCY (15%)	0	162,111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162,111
TOTAL CAPITAL EXPENDITURES	0	8,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,000,000
TOTAL CAPITAL EXPENDITURES REIMBURSED FROM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,895,000
TOTAL CAPITAL EXPEND. CONTRIBUTED FROM DEV	0	8,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,104,000
																			38.80%

EXHIBIT G
Disclosure Form (2015)

SPECIAL DISTRICT PUBLIC DISCLOSURE DOCUMENT

VERONA ESTATES METROPOLITAN DISTRICT NO. 1 **(TO BE KNOWN AS MARVELLA METROPOLITAN DISTRICT)**

As required pursuant to Section 32-1-104.8 of the Colorado Revised Statutes ("C.R.S."), this Public Disclosure Document has been prepared by Verona Estates Metropolitan District No. 1 (to be known as Marvella Metropolitan District) (the "District") to provide information regarding the District.

DISTRICT'S POWERS

The powers of the District as authorized by Section 32-1-1004, C.R.S. and under its Service Plan, as approved by the City Council of the City of Centennial (the "City") on September 6, 2006 (the "Service Plan"), are to plan for, design, finance, acquire, construct, install, relocate, and/or redevelop certain public improvements, including, but not limited to, streets, safety protection, water, sewer, storm drainage, and park and recreation improvements. The District has submitted a First Amendment to the Service Plan and anticipates a Public Hearing on the First Amendment to the Service Plan on October 5, 2015 (the "Amended Service Plan"). The Amended Service Plan, if approved, will increase the District's Debt Authorization (as discussed in more detail below) to Six Million Dollars (\$6,000,000) and provide covenant enforcement and design review authority (as discussed in more detail below) to the District.

DISTRICT'S SERVICE PLAN

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the District's Service Plan is available from the Division of Local Government in the State Department of Local Affairs ("Division"). A copy of the Amended Service Plan will also be available from the Division upon approval.

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution ("TABOR"), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the District office, on file at the Division, or on file at the office of the Clerk and Recorder of Arapahoe County.

DEBT AUTHORIZATION

Pursuant to its Service Plan, the District has authority to issue up to Four Million Dollars (\$4,000,000) (without City approval) of debt to provide and pay for public infrastructure improvement costs. The Service Plan was prepared and approved in 2006, and as such, the costs, figures, and assumptions were based on 2006 dollars. An updated financial plan has been prepared and submitted to the City supporting an estimated potential bonding capacity of Six Million Dollars (\$6,000,000). Upon approval of the Amended Service Plan, the District shall have authority to

issue up to Six Million Dollars (\$6,000,000) of debt to provide and pay for public infrastructure improvement costs.

Any debt issued by the District will be repaid through ad valorem property taxes, from a District imposed debt service mill levy on all taxable property of District, together with any other legally available revenues of the District.

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

Ad Valorem Property Taxes

The District's primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. The anticipated District Mill Levy for tax collection year 2016 is 92.000 mills (as described below). The total anticipated overlapping mill levy for the property with the District for tax collection year 2016 is 194.839 mills, as described in the "Overlapping Mill Levy" section below.

Debt Service Mill Levy

The maximum debt service mill levy the District is permitted to impose under the Service Plan and the Amended Service Plan ("Debt Mill Levy Cap") upon the taxable property of the District for payment of debt is fifty (50) mills.

The Debt Mill Levy Cap may be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below.

Operations Mill Levy

In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative, operations and maintenance services (the "Operations and Maintenance Mill Levy"). The amount of the Operations and Maintenance Mill Levy may be increased as necessary separate and apart from the Debt Mill Levy Cap. However, pursuant to the Amended and Restated Service Plan, without the prior written consent of the City, the District shall not impose or collect property taxes in excess of One Million Dollars (\$1,000,000) annually for operations and maintenance services.

The District anticipates operating in place of an owners association, and pay for the costs associated with covenant enforcement and design review services with the imposition of the Operations and Maintenance Mill Levy, which is anticipated to be 42.00 mills beginning in tax collection year 2016. The Operations and Maintenance Mill Levy may be higher than comparable mill levies in the vicinity, however, property owners will not be subject to owners' association fees. Further, the District's ability to increase its mill levy for provision of operation and maintenance services without an election is constrained by statutory and constitutional limits.

There are several benefits to the use of a metropolitan district as opposed to an owners association, including, but not limited to the following:

(a) Cost Efficiency. Metropolitan districts fund their operations from revenues generated from real property taxes while homeowner's associations assess dues and collect them from property owners. A metropolitan district can, therefore, operate more efficiently than an owners association as the collection of taxes is significantly more effective than separately billing individual homeowners, and dealing with the collection efforts.

(b) Tax Deduction. Taxes paid to a metropolitan district are deductible from income taxes, in general, while owners association dues are generally not.

(c) Homeowner Savings. Out of pocket expenses for the homeowner are generally significantly less when paid through ad valorem tax as opposed to owners association dues.

(d) Transparency. A metropolitan district is subject to various regulatory requirements that an owners association is not, such as annual reporting of budgets and audited financials; annual audits, or audit exemptions, are required, not just recommended as with an owners association.

District Property Tax Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy ¹ /Rate ² (M)	Amount of District Tax Due [AV x M]
(a) 2016	\$850,000	7.96%	\$67,660	92.000/0.09200	\$6,225.00
(b) 2017	\$850,000	7.49%	\$63,665	97.770/0.09777	\$6,225.00

¹ Based on a projected mill levy, not a representation of any actual current or future mill levy

² Each mill is equal to 1/1000th of a dollar

(a) If in 2016 the Actual Value of the Property is \$850,000, and the Residential Assessment Ratio established by the State Legislature for that year is 7.96%, the Assessed Value of the Property is \$67,660 (i.e., \$850,000 x 7.96% = \$67,660). If the District certifies a combined debt and operations mill levy of 92.00 mills, it would generate approximately \$6,225.00 in revenue.

(b) If in 2017 the Actual Value of the Property remains at \$850,000, but the Residential Assessment Ratio established by the State Legislature for that year is 7.49%, the Assessed Value would be \$63,665 (i.e., \$850,000 x 7.49% = \$63,665). The District would need to certify a 97.770 mill levy in order to generate the same revenue as in 2017.

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

Overlapping Mill Levies

In addition to the District’s imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional “overlapping” mill levies from additional taxing authorities. The estimated overlapping mill levy for tax collection year 2016, for the property within the District, is 194.839. The breakdown of the estimated overlapping mill levies is as follows:

Taxing Authority	Levy
Cherry Crk School Dist 5	56.7020000000
Arapahoe County	15.9500000000
Developmental Disability	01.0000000000
City Of Centennial	05.0150000000
Arapahoe Library District	04.7940000000
South Metro Fire Rescue	09.3190000000
Regional Transportation	00.0000000000
Southgate Sanitation Dist	00.5510000000
Southgate Water Dist	00.0000000000
S Suburban Park & Rec	08.8080000000
Urban Drainage & Flood	00.6320000000
Urbn Drnge&Fld (S Platte)	00.0680000000
Verona Estates Metropolitan District No. 1 (to be known as Marvella Metropolitan District)	92.0000000000
W. Arap. Conservation Dis	00.0000000000
TOTAL	194.8390000000

Overlapping Mill Levy Property Tax Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy¹/Rate² (M)	Amount of Total Property Tax Due [AV x M]
(a) 2016	\$850,000	7.96%	\$67,660	194.839/0.194839	\$13,183.00

¹ Based on a projected mill levy, not a representation of any actual current or future mill levy

² Each mill is equal to 1/1000th of a dollar

The estimated overlapping mill levies of neighboring communities are provided below for a general comparison.

1. ESTIMATED One Cherry Lane (Hampden and Colorado Blvd):

181.672 mills, plus HOA Dues (HOA Dues cover community pool, grounds maintenance, snow removal, trash removal)

Taxing Authority	Levy
Cherry Crk School Dist 5	56.7020000000
Arapahoe County	15.9500000000
Developmental Disability	01.0000000000
City of Greenwood Village	02.9320000000
Arapahoe Library District	04.7940000000
South Metro Fire Rescue	09.3190000000
Castlewood W&S Dist E	00.2750000000
Gldsmth Mtr Dst Blk K Sub	90.0000000000
Goldsmith Metro Bond	00.0000000000
Regional Transportation	00.0000000000
Southgate Water Dist	00.0000000000
Urban Drainage & Flood	00.6320000000
Urbn Drnge&Fld (S Platte)	00.0680000000
TOTAL	181.6720000000

2. ESTIMATED Orchard Creek (University and Orchard):

92.347 mills, plus HOA Dues (estimated at \$300/year; Fee covers grounds maintenance, tennis courts)

Taxing Authority	Levy
Littleton School Dist # 6	56.6010000000
Arapahoe County	15.9500000000
Developmental Disability	01.0000000000
City of Greenwood Village	02.9320000000
Arapahoe Library District	04.7940000000
South Metro Fire Rescue	09.3190000000
Cherry Hills Fire Bond	00.5000000000
Regional Transportation	00.0000000000
Southgate Sanitation Dist	00.5510000000
Southgate Water Dist	00.0000000000
Urban Drainage & Flood	00.6320000000
Urbn Drnge&Fld (S Platte)	00.0680000000
TOTAL	92.3470000000

Fees

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32 of the Colorado Revised Statutes, as amended.

DISTRICT BOUNDARIES

This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A** attached hereto and incorporated herein by this reference. It is anticipated that the property currently located within Verona Estates Metropolitan District No. 2, described on **Exhibit B**, will be included into the boundaries of the District by December of 2015, at which time, Verona Estates Metropolitan District No. 2 will commence dissolution proceedings.

CONTACT INFORMATION

Should you have any questions with regard to these matters, please contact:

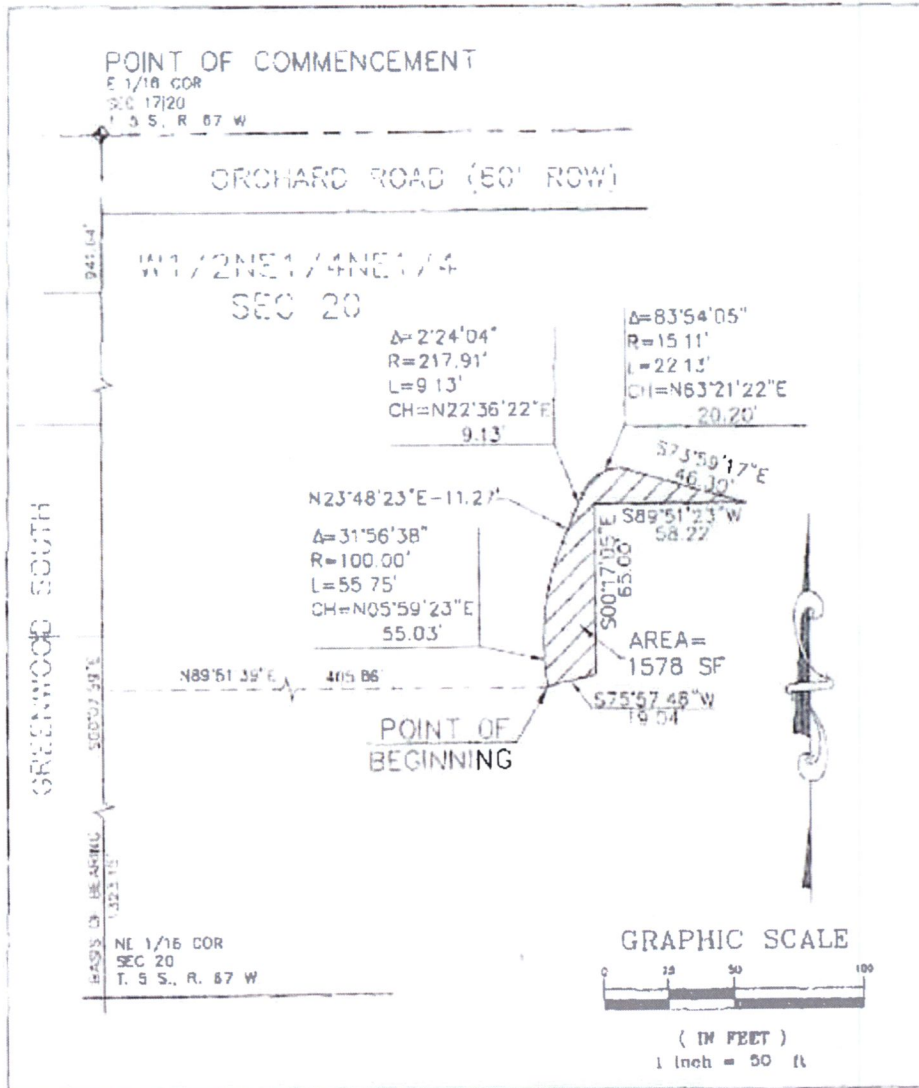
District General Counsel:
McGeady Sisneros, P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203-1214
Phone: 303-592-4380

Dated this ____ day of August, 2015.

EXHIBIT A

**District Map-Verona Estates Metropolitan District No. 1
(to be known as Marvella Metropolitan District)**

DISTRICT NO. 1



HIGH COUNTRY ENGINEERING, INC.
14 INVERNESS DRIVE EAST, STE P-228, ENGLEWOOD, CO 80113
PHONE (303) 688-9944 FAX (303) 688-9947
1817 BLAKE AVENUE, NTS 101, BLANCKFORD SPRINGS, CO 80181
PHONE (303) 648-2876 FAX (303) 648-2882
WWW.HCEI.COM

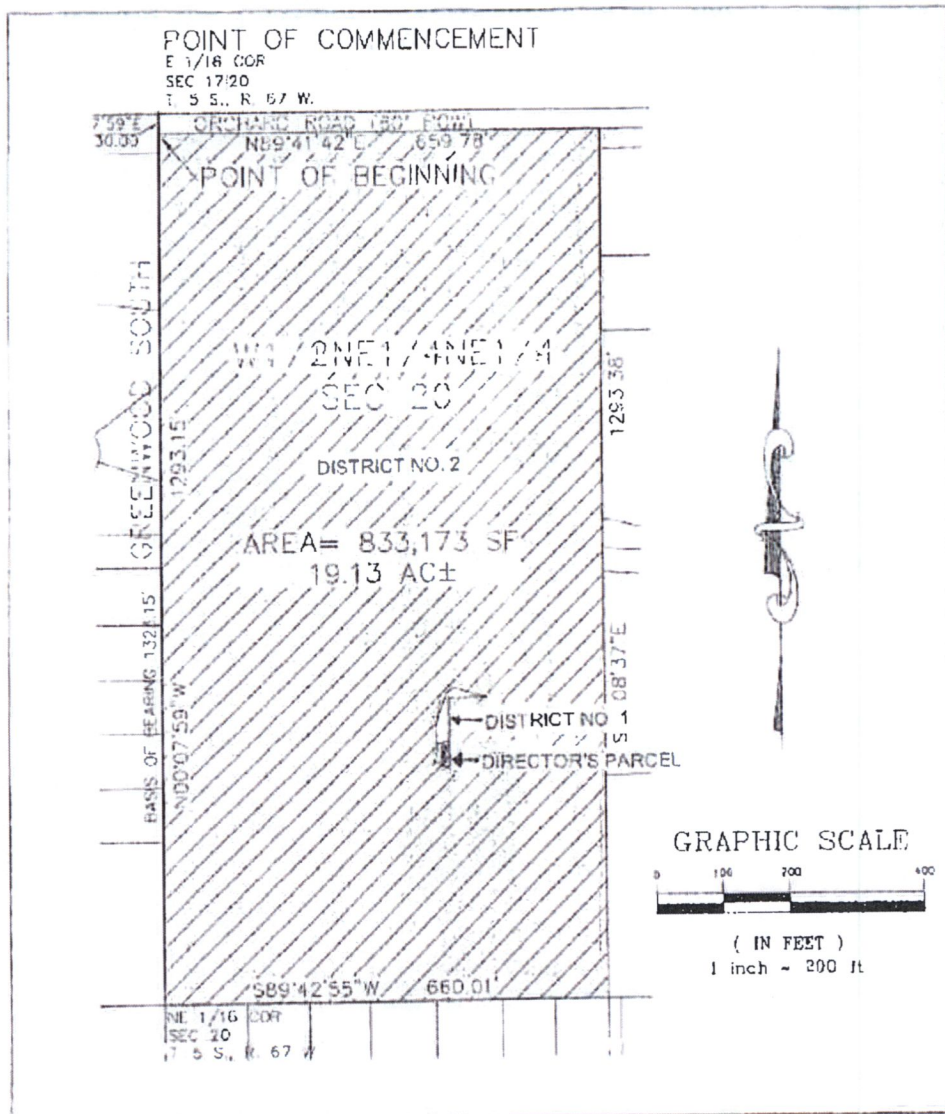
DATE	08/21/06
DRAWN/CHKD/INSTRD	
PROJECT NO.	2002008
CREATED BY	JMM

EXHIBIT
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EXHIBIT B

**District Map-Verona Estates Metropolitan District No. 2
(Anticipated inclusion into the boundaries of Verona Estates Metropolitan District No. 1,
to be known as Marvella Metropolitan District)**

DISTRICT NO. 2



HIGH COUNTRY ENGINEERING, INC.
14 EVERHESSE DRIVE EAST, STE F-120, SABLEWOOD, CO 80112
PHONE: (303) 928-0944 FAX: (303) 928-9347
1517 BLAKE AVENUE, STE 121, GLENWOOD SPRINGS, CO 81601
PHONE: (970) 845-8970 FAX: (970) 845-1855
www.hceinc.com

DATE: 09/21/08
FILE: [blank]
DWN: EAH/MEHC
PROJECT NO: 2062108
DRAWN BY: JRM

EXHIBIT

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