

REGENCY METROPOLITAN DISTRICT GENERAL INFORMATION AND DISCLOSURE SHEET

GENERAL INFORMATION

This General Information Sheet has been prepared by Regency Metropolitan District (the "District") to provide prospective property owners with general information regarding the District and its operations. This information sheet is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained herein.

ORGANIZATION OF DISTRICT

The property within the Regency residential development ("Development") is located within the boundaries of the District. A map of the District is attached hereto as **Exhibit A**. The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized in the Town of Parker ("Town"). The District operates pursuant to a Service Plan which was approved by the Town on March 20, 2006 ("Service Plan").

DISTRICT BOARD OF DIRECTORS

The District is governed by a five-member Board of Directors. Board members are elected by the property owners within the District and are elected to staggered four-year terms of office. Any individual who resides within the boundaries of the District, or who owns taxable real or personal property situated within the boundaries of the District and is a registered voter in Colorado, is eligible to serve on the District's Board of Directors. The Board's regular meeting dates and meeting location, as well as a copy of the District's Service Plan may be obtained from the District Manager, Special District Management Services, Inc. at: 141 Union Blvd., #150, Lakewood, CO 80228; (303) 987-0835.

DISTRICT POWERS, IMPROVEMENTS AND SERVICES

The purpose of the District is to plan for, design, acquire, construct, install, and finance certain Public Improvements, as defined in the Service Plan, including streets, safety protection, parks and recreation, transportation, and mosquito control. The District intends to dedicate the Public Improvements to the Town, or other appropriate jurisdictions or owners associations, in a manner consistent with the Service Plan, Approved Development Plan, rules and regulations of the Town, and applicable provisions of the Town Code.

Under the Service Plan, the District has authority to issue debt in the aggregate amount of Three Million One Hundred Sixty Thousand Dollars (\$3,160,000) to provide and pay for public infrastructure improvement costs. Any issue of bonds will mature not more than 40 years from the date of issuance and the maximum interest rate is 12%. In 2006, the District issued \$3,025,000 in general obligation (limited tax convertible to unlimited tax) bonds at an interest rate of 5.75% and maturing in 2036. All bonds are repaid through ad valorem property taxes imposed by the District on all taxable property located within the District, together with any rates, fees, tolls, and charges imposed by the District.

PROPERTY TAXES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

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 maximum combined mill levy for debt service and operations and maintenance the District may impose under its Service Plan is currently 42.826 mills, as adjusted (“Mill Levy Cap”), until the principal amount of the District’s outstanding general obligation bonds is 50% or less than the assessed valuation of taxable property in the District. When the threshold is met, the Mill Levy Cap is no longer applicable, at which time the mill levy may be increased or decreased at the discretion of the Board of Directors of the District.

For 2008, the District anticipates a total annual mill levy as follows:

Repayment of District Bonds	34.826 mills
Payment of District Operation and Maintenance Costs	8.000 mills
Total Mill Levy	<u>42.826 mills</u>

The mill levy may also 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.

Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy/Rate ¹ (M)	Amount of District Tax Due [AV x M]
(a) 2007	\$300,000	7.96%	\$23,880	42.826/0.042826	\$1022.68
(b) 2008	\$300,000	7.49%	\$22,470	45.513/0.045513	\$1022.68

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

(a) If in 2007 the Actual Value of the Property is \$300,000, and the Assessment Ratio established by the State Legislature for that year is 7.96%, the Assessed Value of the Property is \$23,880 (i.e., \$300,000 x 7.96% = \$23,880). The District certifies a 42.826 mill levy, which would generate approximately \$1022.68 in revenue.

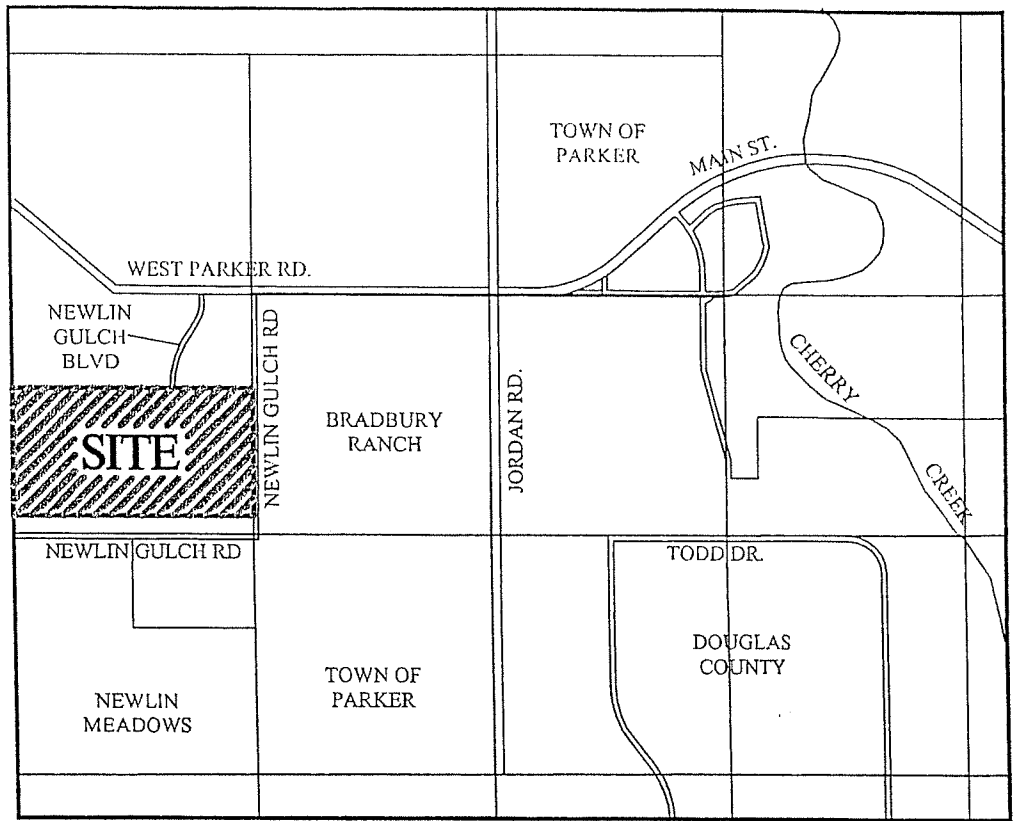
(b) If in 2008 the Actual Value of the Property remains at \$300,000, but the Assessment Ratio established by the State Legislature for that year is 7.49%, the Assessed Value would be \$22,470 (i.e., \$300,000 x 7.49% = \$22,470). The District would need to certify a 45.513 mill levy in order to generate the same revenue as in 2007.

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.

Should you have any questions with regard to these matters, please contact the District Manager at the address and phone number listed above.

EXHIBIT A

MAP



NOLTE
 BEYOND ENGINEERING
 9000 SOUTH CHESTER STREET, SUITE 200,
 303.220.6400 TEL. 303.220.8001 FAX
 CENTENNIAL, CO. 80122
 WWW.NOLTE.COM

REGENCY METROPOLITAN DISTRICT
 DISTRICT SERVICE PLAN
 VICINITY MAP
 PREPARED FOR: 8
 DATE SUBMITTED: 01/2006

SHEET NUMBER
 2
 OF 8 SHEETS
 JOB NUMBER
 DVB0194