



GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING FLYING HORSE METROPOLITAN DISTRICTS

What is the Flying Horse Metropolitan District?

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 and facilities that, for a variety of reasons, cities, towns and counties cannot.

Flying Horse Metropolitan District No. 1 (“FHMD #1”) is the managing district and performs all management and administrative functions for the Metro Districts. Metro District No. 2 encompasses the residential properties and Metro District No. 3 encompasses the commercial properties.

Pursuant to the Declaration of Covenants, Restrictions and Easements for Flying Horse Residential, the Metro District is responsible for the design, construction and financing of municipal improvements such as roads, water lines, sewer lines, and park and recreation amenities. District No. 2 & 3, pursuant to the intergovernmental agreement (“IGA”), are obligated to certify mill levies and issue debt as the same is required to finance improvements as determined by the FHMD #1.

Properties within Metro Districts 2 and 3 are subject to various fees and/or mill levies including the present mill levy of 35 mills (which mill levy may be increased in the future pursuant to City procedures and policies, but which is not currently anticipated to exceed 50 mills). There is currently in 2005 a mill levy of 25 mills for debt service and 10 mills for operations and maintenance. Mill levies may increase as a result in a change in the residential and/or commercial assessment ratio.

The District may impose fees on Property Owners for services rendered. Colorado Law authorizes Special Districts to adopt and change fees, and to impose property taxes for activities identified in the service plan.