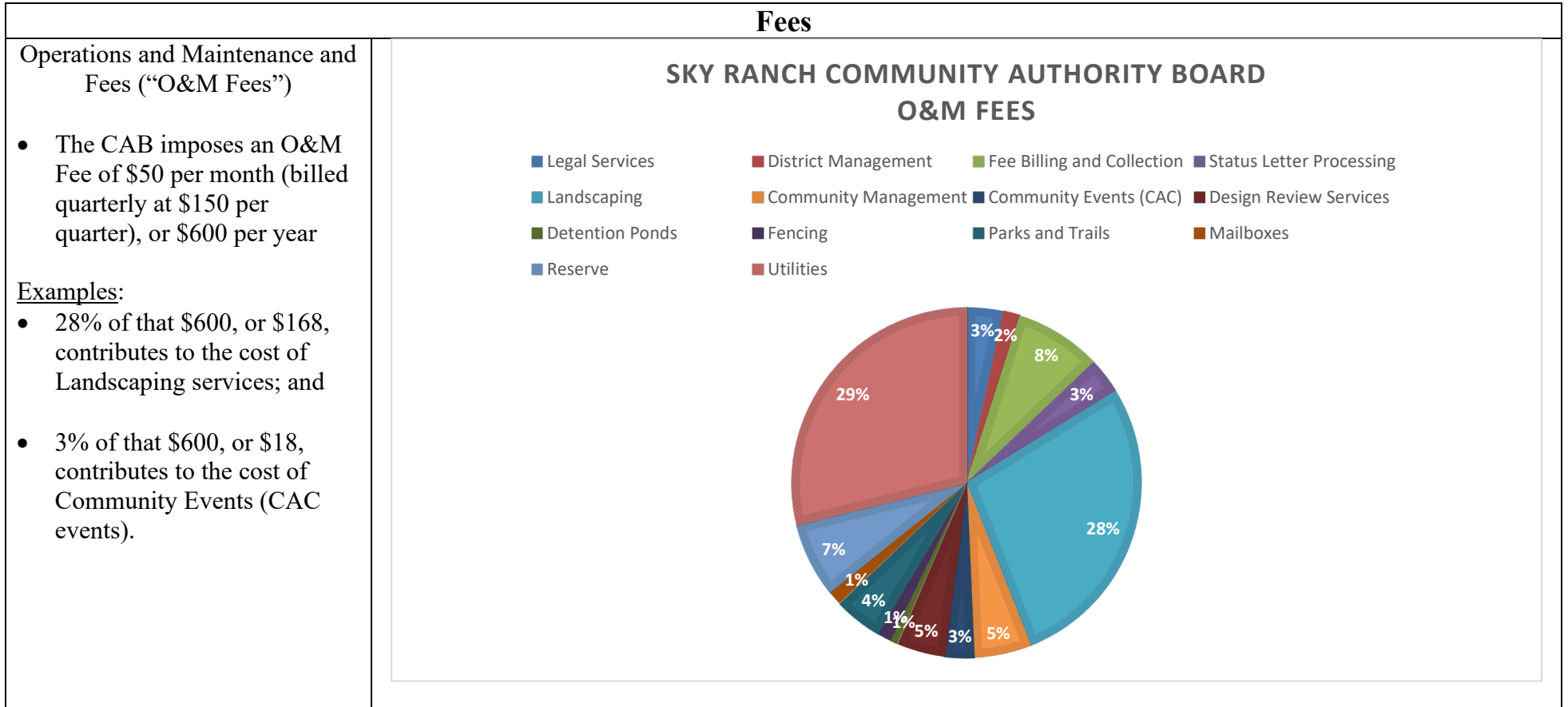


**Sky Ranch Community Authority Board (the “CAB”)  
Schematic Illustrating How the O&M Fees imposed by the CAB and the  
Property Taxes imposed by Sky Ranch Metropolitan District No. 1 (“District No. 1”) Are Used**



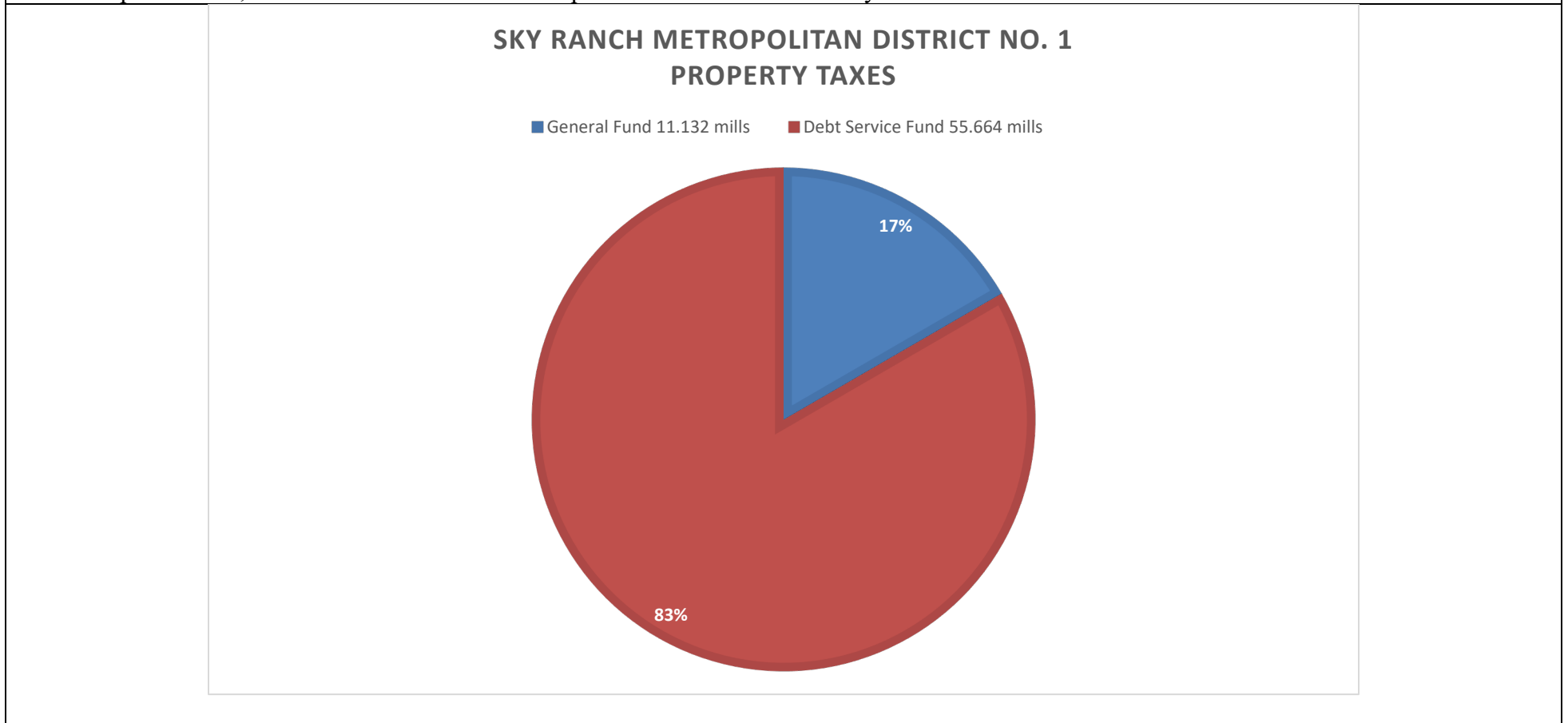
**Property Taxes (Mill Levy of 66.796 total mills)**

District No. 1 imposed a total of 66.796 mills for property taxes, and the revenue generated from these mills is pledged to the CAB:

- 11.132 mills in the General Fund, which pays for services to maintain District No. 1’s and the CAB’s compliance with laws applicable to metropolitan districts, such as Budgets, Audits and Elections; and
- 55.664 mills in the Debt Service Fund, which pays for debt service on the CAB’s \$11,435,000 Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A, and \$1,760,000 Limited Tax Supported District No. 1 Subordinate Bonds (Tax Exempt Fixed Rate), Series 2019B (collectively, the “CAB’s 2019 Bonds”).

Example:

- If your home has an actual value of \$450,000, at a residential assessment rate of 7.15%, the assessed value (“AV”) would be \$32,175 ( $\$450,000 \times .0715 = \$32,175$ );
- To figure out the amount of property taxes you pay to District No. 1, multiply the AV by the number of mills and divide by 1,000:  $\$32,175 \times 66.796 \text{ mills} / 1,000 = \$2,149$ .
- Of the \$2,149 paid in property taxes to District No. 1, \$358 pays for services to maintain District No. 1’s and the CAB’s compliance with laws applicable to metropolitan districts and the CAB, such as Budgets, Audits and Elections; and \$1,791 pays for debt service on the CAB’s 2019 Bonds, which includes payment for public improvements, such as Street improvements, Park and Recreation improvements, Water improvements, and Sanitation/Storm Water improvements in the community.

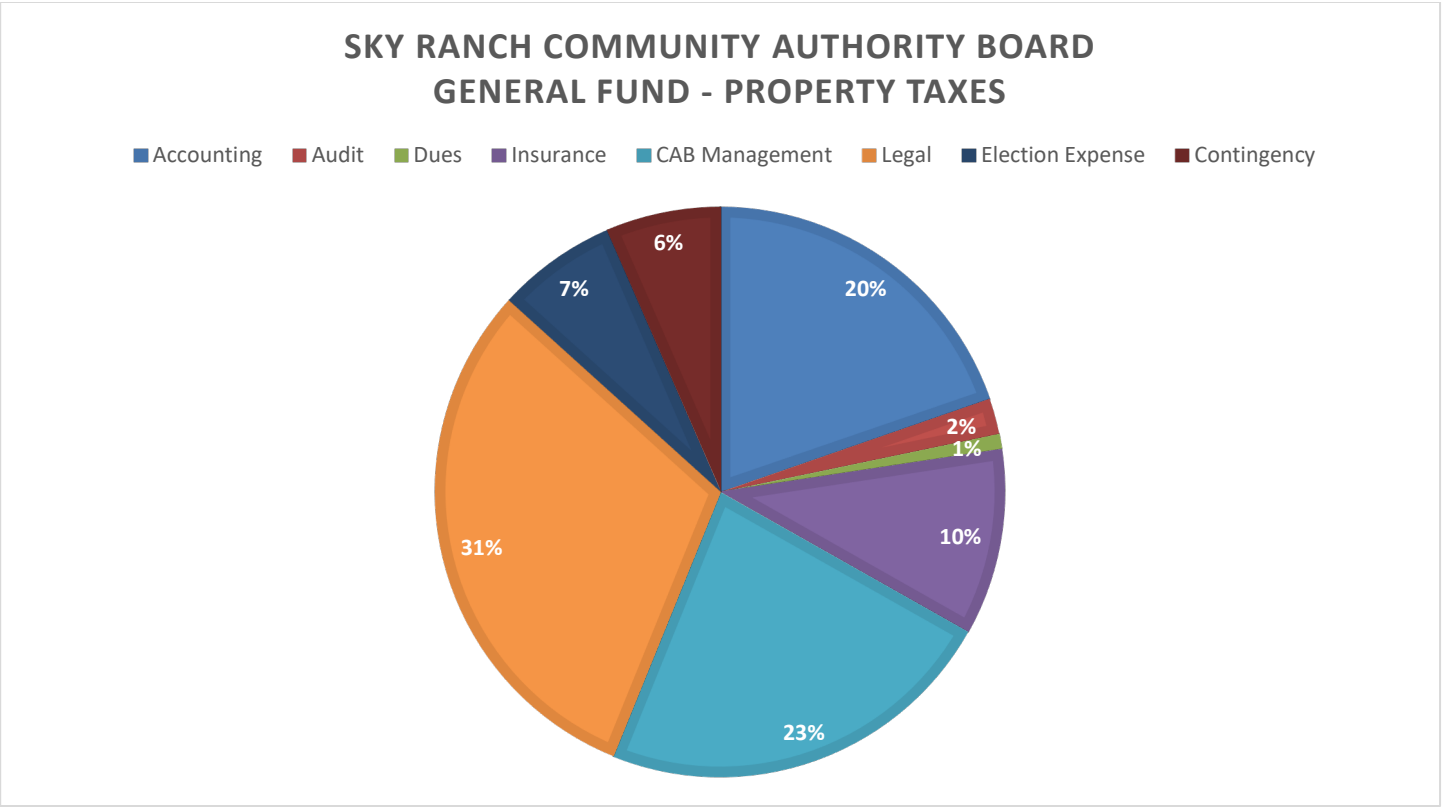


**General Fund (11.132 mills)**

Using the above example, where the home's actual value is \$450,000 and the AV is \$32,175, the 11.132 mills in the General Fund means \$358 of the \$2,149 in total property taxes is used to pay for services to maintain District No. 1's and the CAB's compliance with laws applicable to metropolitan districts and the CAB, such as Budgets, Audits and Elections.

Examples:

- 20% of that \$358, or \$71.60 contributes to the cost of Accounting services; and
- 10% of that \$358, or \$35.80, contributes to the cost of Insurance.



**Debt Service Fund (55.664 mills)**

Using the above example, where the home's actual value is \$450,000 and the AV is \$32,175, the 55.664 mills in the Debt Service Fund means \$1,791 of the \$2,149 in total property taxes is used to pay debt service on the CAB's 2019 Bonds, which includes payment for public improvements, such as Street improvements, Park and Recreation improvements, Water improvements, and Sanitation/Storm Water improvements in the community.

Examples:

- 55% of that \$1,791, or \$985.05 contributes to the cost of Sanitation/Storm Water improvements in the community; and
- 17% of that \$1,791, or \$304.47, contributes to the cost of Water improvements in the community.

