

The Verandahs Community Development District
Preliminary Supplemental Engineers Report
Series 2016 Bonds

Prepared for:

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I. Introduction

The Verandahs Community Development District (the “District”) was established pursuant to Pasco County Ordinance #06-20 which became effective on July 25, 2006. Pursuant to Resolution 2006-14. The District authorized the sale of the District’s 2006 Bonds. The District contains approximately 418 acres on which it is contemplated that 611 residential units will be developed.

This Supplemental District Engineers Report is being presented in anticipation of a refunding and defeasance of bonds by the District. The District proposes to issues Capital Improvement Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”) in order to fund the Series 2016 Project, a community clubhouse and fitness center.

There are no changes to the Series 2006 Project associated with this refunding as the Series 2006 Project was previously deemed complete by the District Engineer on February 23, 2009.

II. General Description of the Bond Issues

This consulting Engineers Report addresses the public infrastructure improvements to be undertaken by the District with respect to the issuance of the Series 2016 Bonds. The District expects to finance the Series 2016 Project or a portion thereof through the issuance of the Bonds.

The Bonds proceeds will provide the funding for the infrastructure improvements described in this report through a deposit into a construction fund that will be used to acquire the improvements constituting the Series 2016 Project as certified by the District Engineer.

The infrastructure improvements are shown on Exhibits 1 and 2 depicting the community clubhouse and fitness center and associated parking. These infrastructure improvements will give special benefit to all lands in the District. Special benefit is a required determination in order make use of the proceeds of any bonds issued by the District.

III. Infrastructure Improvements

The Series 2016 Project includes the construction of a community clubhouse and fitness center of approximately 2000 sf, and associated furnishing and equipment. Also included is the construction of approximately 24 parking spaces to serve the facility. Construction of this infrastructure is scheduled to be completed in 2017. Conceptual drawings of these improvements are shown on Exhibits 1 and 2.

IV. Status of Project Approvals

The following list includes the development approvals required for the construction of the Series 2016 Project and their status:

1. Southwest Florida Water Management District Statewide Environmental Resource Permit Modification – TBD
2. Pasco County Site Development Permit – TBD
3. Pasco County Building Permit – TBD

It is anticipated that these permits will be filed within four months of the issuance of the 2016 Series Bonds and will be issued within nine months of the issuance.

V. Cost Estimates for the District's Improvements

The estimate of probable cost has been prepared for the District by Dewberry Engineers, Inc. as the District Engineer. The estimate is based on the documented costs of similar projects located in Pasco County. The Engineering Estimate of Probable Cost has been determined to be approximately \$410,736. The Engineers Estimate of Probable Cost for the components of The Verandahs Community Development District as shown in Table 1.

Table 1 : Project Cost	
Building Cost	\$242,000
Professional and Permitting	\$92,015
Equipment	\$50,000
Contingency	\$26,721
TOTAL COSTS	\$410,736

VI. Conclusion

The Verandahs Community Development District (the "District") Series 2016 Project consists of a Community Clubhouse and Fitness Center which will provide a special benefit to the entire District and the estimated cost of the project is \$410,736. This estimate is based on sound engineering principals and the benefit to each lot is equal to or greater than the cost of the improvements.

Respectfully Submitted,



Stuart M. Rogers, P.E.
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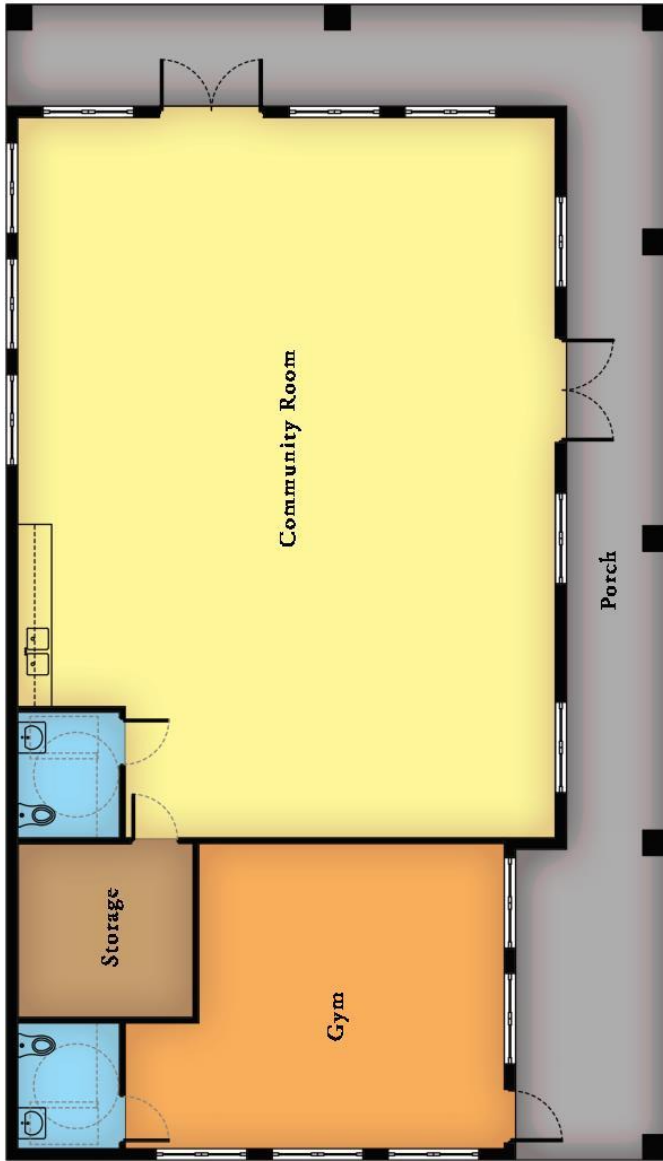


Exhibit 1

Community Clubhouse & Fitness Center



Exhibit 2

Site Plan