

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SORREL RANCH METROPOLITAN DISTRICT HELD NOVEMBER 9, 2020

A Special Meeting of the Board of Directors (referred to hereafter as “Board”) of the Sorrel Ranch Metropolitan District (referred to hereafter as “District”) was convened on Monday, the 9<sup>th</sup> day of November, 2020, at 6:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the virus by limiting in-person contact, this District Board meeting was held via conference call. The meeting was open to the public via conference call.

#### ATTENDANCE

#### Directors In Attendance Were:

Mark Selden  
David Bourne

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the absence of Ryan C. Jones was excused.

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Megan Becher, Esq.; McGeady Becher P.C.

Vy Nguyen; CliftonLarsonAllen LLP

Rebecca “Becky” Stricker; Board Candidate

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. There were no potential conflicts disclosed and it was noted that all members of the Board are residents of the District.

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### **ADMINISTRATIVE MATTERS**

**Agenda:** Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Meeting Location/Posting of Notice:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call at the above-stated time and date. The Board further noted that notice of the time, date and manner was duly posted and that they have not received any objections to the manner or any requests that the meeting manner be changed by taxpaying electors within the District's boundaries.

**Board Appointment:** The Board entered into discussion regarding the appointment of qualified individual Rebecca Stricker to the Board of Directors.

Following discussion, and upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board appointed Rebecca Stricker to the Board of Directors to fill a current vacancy.

**Appointment of Officers:** Upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Mark Selden
Treasurer	David Bourne
Secretary	David Solin
Assistant Secretary	Ryan C. Jones
Assistant Secretary	Rebecca Stricker

**Alternate Representative to the South Aurora Regional Improvement Authority:** The Board deferred discussion.

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**Minutes:** The Board reviewed the Minutes of the May 29, 2020 Special Meeting, June 25, 2020 Special Meeting, July 16, 2020 Special Meeting, September 17, 2020 Special Meeting and October 7, 2020 Special Meeting.

Following review, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board approved the Minutes of the May 29, 2020 Special Meeting, June 25, 2020 Special Meeting, July 16, 2020 Special Meeting, September 17, 2020 Special Meeting and October 7, 2020 Special Meeting, as presented.

**Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices:** The Board discussed Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Time and Location, Establishing District Website and Designating Locations for Posting of 24-Hour Notices.

The Board determined to schedule 2021 regular meeting dates on June 7, 2021 and November 8, 2021 at 6:30 P.M. at the Tollgate Crossing Community Center, 24625 E. Bellewood Drive, Aurora, Colorado.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Time and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices.

**Transparency Notice Under §32-1-809, C.R.S.:** The Board entered into discussion regarding §32-1-809, C.R.S Transparency Notice reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board determined to post the required information on the Special District Association (“SDA”) website.

**PUBLIC  
COMMENT**

\_\_\_\_\_  
There were no public comments.  
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**FINANCIAL  
MATTERS**

**Limited Tax General Obligation Refunding Bonds, Series 2020:** Mr. Solin discussed with the Board. No action was taken.

**Claims:** The Board considered ratifying the approval of the payment of claims as follows:

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Fund	Period Ending June 19, 2020	Period Ending July 9, 2020	Period Ending Aug. 10, 2020	Period Ending Sept. 14, 2020
General	\$ 8,706.62	\$ 1,864.40	\$ 8,117.17	\$ 6,757.51
Debt Service	\$ -0-	\$ 24,700.00	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ 1,250.00
<b>Total Claims</b>	<b>\$ 8,706.62</b>	<b>\$ 26,564.40</b>	<b>\$ 8,117.17</b>	<b>\$ 8,007.51</b>
Fund	Period Ending Oct. 7, 2020			
General	\$ 5,210.43			
Debt Service	\$ -0-			
Capital Projects	\$ -0-			
<b>Total Claims</b>	<b>\$ 5,210.43</b>			

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

**Financial Statements:** Ms. Nguyen reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending September 30, 2020.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through September 30, 2020, as presented.

**2020 Audit:** The Board entered into discussion regarding engaging Wipfli LLP to perform the 2020 Audit.

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2020 Audit, for an amount not to exceed \$3,750.

**2020 Budget Amendment Hearing:** Director Selden opened the Public Hearing to consider an Amendment to the 2020 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the Public Hearing was closed.

Following review and discussion, the Board determined that an Amendment to the 2020 Budget was not necessary.

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**2021 Budget Hearing:** Director Selden opened the Public Hearing to consider the proposed 2021 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the Public Hearing was closed.

Ms. Nguyen reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-02; Resolution to Adopt the 2021 Budget and Appropriate Sums of Money, and Resolution No. 2020-11-03; Resolution to Set Mill Levies (for the General Fund at 6.000 mills, for the Debt Service Fund at 42.500 mills, and for Other Fund(s) at 1.112 mills, for a total mill levy of 49.612 mills). Upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

**DLG-70 Mill Levy Certification Form:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

**Preparation of the 2022 Budget:** The Board discussed preparation of the 2022 Budget.

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Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget and set the Budget Hearing to consider adoption of the 2022 Budget for November 8, 2021.

**Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3:** The Board determined that the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3, was not needed.

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### **LEGAL MATTERS**

**Amended and Restated Resolution Regarding Continuing Disclosure Policies and Procedures:** Attorney Becher discussed with the Board Resolution No. 2020-11-04; Amended and Restated Resolution Regarding Continuing Disclosure Policies and Procedures.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Board approved Resolution No. 2020-11-04; Amended and Restated Resolution Regarding Continuing Disclosure Policies and Procedures.

**McGeady Becher P.C. District Records Retention Policy:** Attorney Becher presented to the Board the update to the McGeady Becher Records Retention Policy.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the Board acknowledged the update and directed a copy of the approved the McGeady Becher Records Retention Policy be attached to the Minutes for this meeting. Accordingly, a copy of the updated Document Retention Policy is attached hereto and incorporated herein by this reference.

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### **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 

\_\_\_\_\_  
Secretary for the Meeting

**RESOLUTION NO. 2020-11-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SORREL RANCH METROPOLITAN DISTRICT  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,  
ESTABLISHING DISTRICT WEBSITE AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sorrel Ranch Metropolitan District (the "**District**"), Arapahoe County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on June 7 and November 8, 2021 at 6:30 p.m., at the Tollgate Crossing Community Center, 24625 E. Bellewood Drive, Aurora, CO 80016 in Arapahoe County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

10. Corner of Aurora Parkway and Buchanan Street

11. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

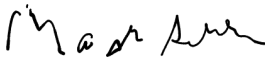
**[SIGNATURE PAGE FOLLOWS]**



**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 5, 2020.

**SORREL RANCH METROPOLITAN DISTRICT**

By:   
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

RESOLUTION NO. 2020 - 11 – 02

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SORREL RANCH METROPOLITAN DISTRICT  
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2020, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 9, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sorrel Ranch Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Sorrel Ranch Metropolitan District for the 2021 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 9th day of November, 2020



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Secretary

(SEAL)

EXHIBIT A  
(Budget)

**SORREL RANCH METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**SORREL RANCH METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 144,623	\$ 131,957	\$ 211,918
<b>REVENUES</b>			
Property taxes	949,930	1,198,155	981,683
Specific ownership taxes	75,816	86,400	68,700
Administration fee	4,000	1,500	1,500
Interest income	11,590	2,700	1,500
Property taxes - SARIA	17,130	21,607	22,508
Reimbursed expenditures	8,253	-	-
Bond proceeds	-	13,425,000	-
Bond premium	-	1,674,053	-
Total revenues	<u>1,066,719</u>	<u>16,409,415</u>	<u>1,075,891</u>
TRANSFERS IN	<u>72,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,283,342</u>	<u>16,541,372</u>	<u>1,287,809</u>
<b>EXPENDITURES</b>			
General Fund	52,862	74,972	75,000
Debt Service Fund	1,009,393	16,232,875	903,000
Capital Projects Fund	17,130	21,607	22,508
Total expenditures	<u>1,079,385</u>	<u>16,329,454</u>	<u>1,000,508</u>
TRANSFERS OUT	<u>72,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,151,385</u>	<u>16,329,454</u>	<u>1,000,508</u>
ENDING FUND BALANCES	<u>\$ 131,957</u>	<u>\$ 211,918</u>	<u>\$ 287,301</u>
EMERGENCY RESERVE	<u>\$ 3,300</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>
TOTAL RESERVE	<u>\$ 3,300</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>

No assurance provided. See summary of significant assumptions.

**SORREL RANCH METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ 14,328,880	\$ 16,424,302	\$ 17,393,176
Commercial	1,166	44,601	45,660
State assessed	329,400	150,240	441,160
Vacant land	842,784	2,811,548	2,360,891
Certified Assessed Value	<u>\$ 15,502,230</u>	<u>\$ 19,430,691</u>	<u>\$ 20,240,887</u>
<b>MILL LEVY</b>			
General	6.000	6.000	6.000
Debt Service	55.277	55.663	42.500
SARIA	1.105	1.112	1.112
Total mill levy	<u>62.382</u>	<u>62.775</u>	<u>49.612</u>
<b>PROPERTY TAXES</b>			
General	\$ 93,013	\$ 116,584	\$ 121,445
Debt Service	856,917	1,081,571	860,238
SARIA	17,130	21,607	22,508
Levied property taxes	<u>967,060</u>	<u>1,219,762</u>	<u>1,004,191</u>
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 967,060</u>	<u>\$ 1,219,762</u>	<u>\$ 1,004,191</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 93,019</b>	<b>\$ 116,584</b>	<b>\$ 121,445</b>
Debt Service	<b>856,963</b>	<b>1,081,571</b>	<b>860,238</b>
SARIA	<b>17,131</b>	<b>21,607</b>	<b>22,508</b>
	<u><b>\$ 967,113</b></u>	<u><b>\$ 1,219,762</b></u>	<u><b>\$ 1,004,191</b></u>

No assurance provided. See summary of significant assumptions.

**SORREL RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 126,490	\$ 118,399	\$ 171,111
REVENUES			
Property taxes	93,013	116,584	121,445
Specific ownership taxes	7,425	8,400	8,500
Interest income	4,080	1,200	1,000
Administration Fee	4,000	1,500	1,500
Reimbursed expenditures	8,253	-	-
Total revenues	<u>116,771</u>	<u>127,684</u>	<u>132,445</u>
Total funds available	<u>243,261</u>	<u>246,083</u>	<u>303,556</u>
EXPENDITURES			
General and administrative			
Accounting	19,091	22,000	22,000
Audit	3,500	3,500	3,750
County Treasurer's fee	1,396	1,749	1,822
Directors' fees	1,100	2,100	1,600
Dues and membership	421	320	450
Election	-	893	-
Insurance and bonds	3,347	2,910	3,300
District management	13,308	18,000	18,000
Legal	10,452	23,000	20,000
Miscellaneous	247	500	500
Contingency	-	-	3,578
Total expenditures	<u>52,862</u>	<u>74,972</u>	<u>75,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>72,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>124,862</u>	<u>74,972</u>	<u>75,000</u>
ENDING FUND BALANCE	<u>\$ 118,399</u>	<u>\$ 171,111</u>	<u>\$ 228,556</u>
EMERGENCY RESERVE	<u>\$ 3,300</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>
TOTAL RESERVE	<u>\$ 3,300</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>

No assurance provided. See summary of significant assumptions.



**SORREL RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 18,133	\$ 13,558	\$ 40,807
REVENUES			
Property taxes	856,917	1,081,571	860,238
Specific ownership taxes	68,391	78,000	60,200
Interest income	7,510	1,500	500
Bond proceeds	-	13,425,000	-
Bond premium	-	1,674,053	-
Total revenues	<u>932,818</u>	<u>16,260,124</u>	<u>920,938</u>
TRANSFERS IN			
Transfers from other funds	<u>72,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,022,951</u>	<u>16,273,682</u>	<u>961,745</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	12,855	16,224	12,904
Paying agent fees	2,500	2,500	2,500
Contingency	-	-	6,971
Debt Service			
Bond interest - Series 2006 Senior Bonds	604,038	290,806	-
Bond interest - Series 2020 Bonds	-	71,495	485,625
Bond principal - Series 2006 Senior Bonds	390,000	-	-
Bond principal - Series 2020 Bonds	-	-	395,000
Bond issue costs	-	490,000	-
Refunding payment	-	15,361,850	-
Total expenditures	<u>1,009,393</u>	<u>16,232,875</u>	<u>903,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,009,393</u>	<u>16,232,875</u>	<u>903,000</u>
ENDING FUND BALANCE	<u>\$ 13,558</u>	<u>\$ 40,807</u>	<u>\$ 58,745</u>

No assurance provided. See summary of significant assumptions.

**SORREL RANCH METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes - SARIA	17,130	21,607	22,508
Total revenues	<u>17,130</u>	<u>21,607</u>	<u>22,508</u>
Total funds available	<u>17,130</u>	<u>21,607</u>	<u>22,508</u>
EXPENDITURES			
General and Administrative			
County Treasurer's fee	257	324	338
SARIA payment	16,873	21,283	22,170
Total expenditures	<u>17,130</u>	<u>21,607</u>	<u>22,508</u>
Total expenditures and transfers out requiring appropriation	<u>17,130</u>	<u>21,607</u>	<u>22,508</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SORREL RANCH METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by the order and decree of the District Court for the City of Aurora on November 18, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Amended and Restated Service Plan as approved by the City of Aurora on August 30, 2004. The District's service area is located entirely in Arapahoe County, Colorado in the City of Aurora.

The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets and safety protection, water, sanitary sewer and storm drainage, park and recreation and mosquito control.

The District held its formation election on November 5, 2002. The electorate authorized general obligation debt of \$17,422,000 and refunding debt of \$17,222,000. The election also allows the District to retain all revenues other than ad valorem taxes without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law and a \$200,000 annual property tax increase for operations.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

The change in assessment ratio from 7.96% to 7.15% allows the District to adjust its mill levy to offset the decrease in revenues. The District has elected to not impose an adjusted mill levy for operations. Such adjusted mill levy would be 6.679. The district has also elected to not impose the maximum adjusted mill levy for debt service of 55.663.

**SORREL RANCH METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by both the General Fund and the Debt Service Fund.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.5%.

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses.

**Capital Outlay**

Anticipated expenditures for capital outlay in 2021 are displayed on page 6 of the Budget.

**Debt Service**

The principal and interest payments in 2021 are provided based on the debt amortization schedule from the General Obligation Refunding Bonds Series 2020 (discussed under Debt and Leases).

**Debt and Leases**

**Limited Tax Convertible to Unlimited Tax General Obligation Bonds, Series 2006.** On September 22, 2006, the District issued \$11,675,000 in General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) dated September 22, 2006, and \$2,735,000 in General Obligation Subordinate Bonds (Limited Tax Convertible to Unlimited Tax) dated September 22, 2006, both for infrastructure improvements. The senior bonds are term bonds due December 1, 2036, with an interest rate of 5.75%, paid semiannually on June 1 and December 1. The subordinate bonds are term bonds due December 15, 2036, with an interest rate of 6.75%, paid annually on December 15. The senior bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2016, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The subordinate bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2016, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The senior bonds are subject to mandatory sinking fund redemption on December 1, 2010, and on each December 1 thereafter in increasing amounts annually through maturity. The subordinate bonds are subject to mandatory sinking fund redemption on December 15, 2010, and on each December 15 thereafter in varying amounts annually through maturity.

**SORREL RANCH METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

The Bonds are secured by the Pledged Revenues and all moneys and earnings thereon held in the Funds or accounts created under the terms of the Indenture of Trust dated September 1, 2006 between the District and United Missouri Bank (UMB), as trustee. Pledged Revenues consists of revenues derived from the imposition of the Required Mill Levy (see below) remitted to the District, Facility Fees, Specific Ownership Taxes attributable to the Required Mill Levy, and any other legally available moneys of the District credited to the Bond Fund.

The District is required to impose a mill levy without limitation, up to a limit of 50.000 mills, on the assessed valuation of the District, in an amount sufficient to pay when due the principal and interest and to build up the Surplus Fund of each of the 2006A and 2006B series to their Maximum Surplus Amount, which must be maintained once reached until the Debt to Assessed Ratio is 50% or less. The Maximum Surplus Amount is \$1,167,500 for the Series 2006 Senior Bonds and \$273,500 for the Series 2006 Subordinate Bonds. The Series 2006 Senior and Subordinate Bonds were repaid in their entirety with the issuance of the Series 2020 Refunding Bonds.

**Limited Tax General Obligation Refunding Bonds, Series 2020.** On October 8, 2020, the District issued General Obligation Limited Tax Refunding Bonds, Series 2020 (the "Series 2020 Bonds"). The proceeds from the sale of the Bonds were used for the purpose of: (i) paying the costs of the Refunding Project, (ii) purchasing the Insurance Policy and the Reserve Fund Insurance Policy, and (iii) paying the costs of issuance of the Bonds. The Bonds shall be secured by a Municipal Bond Insurance Policy and a Debt Service Reserve Fund Insurance Policy provided by Assured Guaranty Municipal Corp ("AGM") in accordance with the terms of Commitments relating to the Bonds dated September 22, 2020 between the District and AGM. Pledged Revenues consists of revenues derived from the imposition of the Required Mill Levy (see below), Specific Ownership Taxes attributable to the Required Mill Levy, and any other legally available moneys of the District credited to the Bond Fund.

The Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Required Mill Levy. The District has covenanted in the Bond Resolution to impose the Required Mill Levy on all of the taxable property of the District, in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as they become due and payable, and to replenish the Reserve Fund in the amount of the Reserve Fund Requirement, but not in excess of 50.000 mills, as adjusted. The Reserve Fund Requirement is the least of: (i) 10% of the proceeds of the Bonds, (ii) the maximum annual principal and interest payable with respect to the Bonds, or (iii) 125% of the average annual principal and interest payable with respect to the Bonds. The Reserve Fund is funded with the issuance of the Debt Service Reserve Fund Insurance Policy, as mentioned above.

The Series 2020 Bonds were issued as serial bonds and term bonds bearing interest at 2.00% to 5.00%, payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Serial Bonds maturing on and after December 1, 2031 are subject to redemption prior to maturity, at the option of the District, as a whole or in multiples of \$5,000, on December 1, 2030, with no redemption premium.

**SORREL RANCH METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Operating Funding Agreements.** The District entered into various Operation Funding Agreements with Engle homes Colorado, a division of TOUSA Homes, Inc. (Developer), whereby the Developer agreed to fund any shortfall in operating costs from 2003 to 2007. In accordance with the Operation Funding Agreements, payments made to repay these operating advances are subject to annual budget and appropriation with interest rates at 3% above the 20-year AAA Municipal Market Data rate. The interest rate is set each January 1 for the upcoming year. The interest rate was 5.840% for 2019 and 4.880 for 2020. The term of the Agreement extends until December 31, 2027 unless terminated earlier by mutual agreement of the parties. All budgeted repayments shall be made on December 1st of each year.

**Facilities Funding and Acquisition Agreement.** Effective January 1, 2007, the District entered into the Facilities Funding and Acquisition Agreement – 2007 (2007 FFAA) with the Developer, where by the Developer agreed to design and construct public improvements within the District. The District agreed to purchase these improvements from the Developer for the costs incurred to construct them. The 2007 FFAA includes interest of 3.980% for 2007 and adjusted each January 1<sup>st</sup> to be 300 basis points above the 20-year AAA Municipal Market Data rate to be paid to the Developer for the acquisition of these improvements. No payment is required under the 2007 FFAA unless and until such time the District issues bonds for this purpose and in an amount sufficient to acquire a part of all of such improvements, or to reimburse the Developer for part or all of the Developer advances.

The following is an analysis of anticipated changes in the District’s long-term obligations, subordinate to the Senior Bonds, for the years ending in December 31, 2020 and 2021.

	December 31,			December 31,
	2019	Additions	Reductions	2020
G.O. Limited Tax Bonds:				
Series 2006 - Subordinate	\$ 2,720,000	-	2,720,000	\$ -
Developer Advances				
Operating	289,574	-	-	289,574
Capital	1,001,287	-	-	1,001,287
Accrued Interest on				
General Obligation Bonds	2,028,233	272,430	2,300,663	-
Series 2006 - Subordinate				
Developer Advances				
Operating	232,967	14,178	-	247,145
Capital	801,012	49,023	-	850,035
Total	<u>\$ 7,073,073</u>	<u>\$ 335,631</u>	<u>\$ 5,020,663</u>	<u>\$ 2,388,041</u>

**SORREL RANCH METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

	December 31,			December 31,
	2020	Additions	Reductions	2021
Developer Advances				
Operating	\$ 289,574	-	-	\$ 289,574
Capital	1,001,287	-	-	1,001,287
Accrued Interest on				
Developer Advances				
Operating	247,145	14,131	-	261,276
Capital	850,035	48,863	-	898,898
Total	<u>\$ 2,388,041</u>	<u>\$ 62,994</u>	<u>\$ -</u>	<u>\$ 2,451,035</u>

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2021, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**SORREL RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2020**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$13,425,000 Limited Tax General Obligation Bonds Series 2020 Dated October 8, 2020 Principal Due December 1, Interest Rates - 2.00% - 5.00% Payable June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 395,000	\$ 485,625	\$ 880,625
2022	405,000	477,725	882,725
2023	415,000	469,625	884,625
2024	420,000	461,325	881,325
2025	445,000	440,325	885,325
2026	465,000	418,075	883,075
2027	490,000	394,825	884,825
2028	510,000	370,325	880,325
2029	540,000	344,825	884,825
2030	565,000	317,825	882,825
2031	595,000	289,575	884,575
2032	615,000	265,775	880,775
2033	640,000	241,175	881,175
2034	665,000	215,575	880,575
2035	695,000	188,975	883,975
2036	720,000	161,175	881,175
2037	750,000	132,375	882,375
2038	780,000	102,375	882,375
2039	800,000	82,875	882,875
2040	820,000	62,875	882,875
2041	840,000	42,375	882,375
2042	855,000	21,375	876,375
	<b>\$ 13,425,000</b>	<b>\$ 5,987,000</b>	<b>\$ 19,412,000</b>

No assurance provided. See summary of significant assumptions.



I, David Solin, hereby certify that I am the duly appointed Secretary of the Sorrel Ranch Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Sorrel Ranch Metropolitan District held on November 9, 2020.



By: \_\_\_\_\_  
Secretary

RESOLUTION NO. 2020 - 11 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SORREL RANCH METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District (“District”) has adopted the 2021 annual budget in accordance with the Local Government Budget Law on November 9, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sorrel Ranch Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 9th day of November, 2020.



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Secretary

(SEAL)

**EXHIBIT A**  
(Certification of Tax Levies)

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Arapahoe County, Colorado.

On behalf of the Sorrel Ranch Metropolitan District  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Sorrel Ranch Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 20,240,887 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 20,240,887 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/02/2020 for budget/fiscal year 2021  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	6.000 mills	\$ 121,445
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>6.000</b> mills	<b>\$ 121,445</b>
3. General Obligation Bonds and Interest <sup>J</sup>	42.500 mills	\$ 860,238
4. Contractual Obligations <sup>K</sup>	1.112 mills	\$ 22,508
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): _____	mills	\$
_____	mills	\$
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>49.612</b> mills	<b>\$1,004,191</b>

Contact person: Carrie Bartow Daytime phone: (303) 779-5710  
(print)

Signed: *Carrie Bartow* Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	Public infrastructure
	Series:	Limited Tax General Obligation Refunding Bonds Series 2020
	Date of Issue:	October 8, 2020
	Coupon Rate:	2.00% - 5.00%
	Maturity Date:	December 1, 2042
	Levy:	42.500 mills
	Revenue:	\$860,238

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

**CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	Regional Improvements with South Aurora Regional Improvement Authority (SARIA)
	Title:	IGA between SARIA and Sorrel Ranch Metropolitan District
	Date:	Approved on November 9, 2017
	Principal Amount:	N/A
	Maturity Date:	TBD
	Levy:	1.112
	Revenue:	\$22,508

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION NO. 2020-11-04**

**AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF  
SORREL RANCH METROPOLITAN DISTRICT REGARDING CONTINUING  
DISCLOSURE POLICIES AND PROCEDURES**

A. The Sorrel Ranch Metropolitan District, City of Aurora, Arapahoe County, Colorado (the “**District**”) has entered into the continuing disclosure undertaking(s) set forth in **Exhibit A** attached hereto (referred to collectively herein, whether one or more than one, the “**Continuing Disclosure Undertaking**”).

B. The Board of Directors of the District (the “**Board**”) desires to adopt policies and procedures in an effort to ensure compliance by the District with its obligations set forth in the Continuing Disclosure Undertaking (the “**Continuing Disclosure Policy**”).

C. The Board intends that this Continuing Disclosure Policy amend and restate Resolution No. 2014-11-04 Regarding Continuing Disclosure Policies and Procedures, as adopted by the Board on November 3, 2014 (the “**Previous Policy**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SORREL RANCH METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

1. The Continuing Disclosure Policy, as hereby approved, adopted and made a part of the public records of the District, shall be to impose the procedures set forth in **Exhibit B** attached hereto (the “**Compliance Procedures**”).

2. The Board hereby delegates the tasks and responsibilities set forth in the Compliance Procedures to the responsible parties as set forth therein.

3. The Continuing Disclosure Policy is intended to amend and restate the Previous Policy and is intended to supplement any procedures evidenced in writing by any Official Statement or continuing disclosure undertaking heretofore or hereafter issued, entered into or executed and delivered by the District or on its behalf.

4. The Board may revise the Continuing Disclosure Policy from time to time as the Board deems necessary or desirable to comply with federal and state securities laws or otherwise as the Board may determine in its sole discretion.

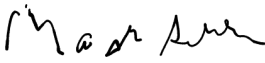
5. Prior to the engagement of the responsible parties listed in the Compliance Procedure, and other consultants as may be applicable with respect to the Continuing Disclosure Undertaking, such responsible parties and consultants shall be required to review and comply with the Continuing Disclosure Policy, including, without limitation, the responsibilities set forth in the Compliance Procedures.

6. Within thirty (30) days, or earlier if necessary, of entering into any new continuing disclosure undertaking and/or with respect to any changes or modifications to the Continuing Disclosure Undertaking, the responsible parties and consultants shall meet with bond

counsel and disclosure counsel to review the continuing disclosure compliance requirements and develop a process for compliance with respect to such new and/or changed continuing disclosure undertaking.

RESOLUTION APPROVED AND ADOPTED on November 9, 2020.

**SORREL RANCH METROPOLITAN  
DISTRICT**

By:   
\_\_\_\_\_  
President

Attest:

  
By: \_\_\_\_\_  
Secretary

**EXHIBIT A**

Continuing Disclosure Undertaking



**SORREL RANCH METROPOLITAN DISTRICT  
IN THE CITY OF AURORA  
ARAPAHOE COUNTY, COLORADO**

**CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is between the Sorrel Ranch Metropolitan District, in the City of Aurora, Arapahoe County, Colorado (the “Issuer”), and UMB Bank, n.a., as dissemination agent, and is executed and delivered in connection with the issuance of the District’s General Obligation Limited Tax Refunding Bonds, Series 2020, in the aggregate principal amount of \$13,425,000 (the “Bonds”) dated as of October 8, 2020. The Bonds are being issued pursuant to a bond resolution adopted by the Board of Directors of the District on September 17, 2020 (the “Bond Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Board*” means the Board of Directors of the District.

“*Bond Resolution*” means the resolution adopted by the Board on September 17, 2020, authorizing the issuance of the Bonds.

“*Bonds*” means the District’s General Obligation Limited Tax Refunding Bonds, Series 2020, issued pursuant to the Bond Resolution.

“*Dissemination Agent*” means, initially, UMB Bank, n.a., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Fiscal Year*” means the calendar year commencing on January 1 of each year and ending on December 31 of the same year.

“*Listed Events*” means any of the events listed in Section 5 of this Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“*Official Statement*” means the final Official Statement prepared in connection with the Bonds.

“*Participating Underwriter*” means the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Agreement.

“*SEC*” means the Securities and Exchange Commission.

### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s fiscal year of each year, commencing nine (9) months following the end of the Issuer’s fiscal year ending December 31, 2020, provide to the MSRB (in an *electronic format as prescribed by the MSRB*), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than ten (10) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Agreement as Exhibit “A.”

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>1</sup>
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

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<sup>1</sup> For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation<sup>2</sup> of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>2</sup> of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and any other agreement between the Issuer and the Dissemination Agent. The District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless

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<sup>2</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent may resign as dissemination agent hereunder at any time upon thirty (30) days prior written notice to the District. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this Disclosure Agreement. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Agreement, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof;

(3) upon request certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Agreement and the date it was provided; and

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 3(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Agreement as Exhibit "A".

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement and may waive any provision of this Disclosure Agreement, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Colorado without regard to choice of law analysis. Venue for any judicial proceeding to enforce or interpret this Disclosure Agreement shall be in the District Court located in Arapahoe County, Colorado.

SECTION 14. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the District and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.



**SORREL RANCH METROPOLITAN  
DISTRICT, IN THE CITY OF AURORA,  
ARAPAHOE COUNTY, COLORADO**

By *Mark A. Selby*  
President

Attest:

*[Signature]*  
Secretary

**UMB BANK, N.A.,**  
as Dissemination Agent

By: \_\_\_\_\_  
Title: Vice President

IN WITNESS WHEREOF, the District and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

**SORREL RANCH METROPOLITAN  
DISTRICT, IN THE CITY OF AURORA,  
ARAPAHOE COUNTY, COLORADO**

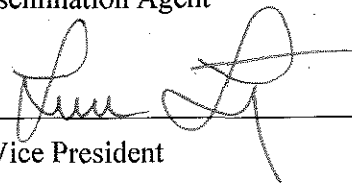
By \_\_\_\_\_  
President

[SEAL]

Attest:

\_\_\_\_\_  
Secretary

**UMB BANK, N.A.,  
as Dissemination Agent**

By:  \_\_\_\_\_  
Title: Vice President



**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Sorrel Ranch Metropolitan District, City of Aurora, Arapahoe County, Colorado (the "District").

Name of Bond Issue: General Obligation Limited Tax Refunding Bonds, Series 2020 in the aggregate principal amount of \$13,425,000 (the "Bonds").

Date of Issuance: October 8, 2020.

CUSIP No. \_\_\_\_.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution dated September 17, 2020, and by the Continuing Disclosure Agreement, dated as of October 8, 2020, between the District and UMB Bank, n.a., as Dissemination Agent. The District has represented that the Annual Report will be filed by \_\_\_\_ [date] \_\_\_\_.

Dated: \_\_\_\_\_, 20\_\_.

**UMB BANK, N.A.,**  
as Dissemination Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

History of District's Assessed Valuations and Mill Levies  
Property Tax Collections for the District  
Ten Largest Taxpayers in the District for 2019

## EXHIBIT B

### Compliance Procedure

Sorrel Ranch Metropolitan District, City of Aurora, Arapahoe County, Colorado  
\$13,425,000 General Obligation Limited Tax Refunding Bonds, Series 2020

Subject to SEC Rule 15c2-12: YES

<b>FINANCIAL DISCLOSURES</b>	
<b>Submittal Date</b>	<b>Required Documentation Prepared By:</b>
<p><b>Annual Reports:</b> The District will, or will cause the Dissemination Agent to, not later than 9 months following the end of each fiscal year (September 30) to provide the Annual Report to the MSRB (commencing with the fiscal year ending December 31, 2020).</p> <p><b>The District will provide the Annual Report to the Dissemination Agent, if one is selected, no less than ten (10) business days prior to the due date to the MSRB (September 15).</b></p>	<p><b>Annual Financial Statements:</b> The then-current accountant (the “<b>District Accountant</b>”) to provide the audited annual financial statements. If the audited annual financial statements are not available by the filing date, the same will be provided when and if available.</p> <p><b>Tables in Official Statement:</b> The District Accountant will update the information identified in the following tables in the Official Statement:</p> <ul style="list-style-type: none"> <li>• History of District’s Assessed Valuations and Mill Levies;</li> <li>• Property Tax Collections for the District; and</li> <li>• Ten Largest Taxpayers in the District.</li> </ul>
<p><b>Note:</b></p> <ol style="list-style-type: none"> <li>1. Pursuant to Section O(i) of the Insurance Agreement between the District and Assured Guaranty Municipal Corp. (the “<b>Insurer</b>”), dated October 8, 2020 (the “<b>Insurance Agreement</b>”), to the extent the audited annual financial statements are not filed with the MSRB, the District is to provide the same to the Insurer prior to the end of the 9<sup>th</sup> month after the District’s Fiscal year end (<b><u>together with a certification of the District that it is not aware of any default or Event of Default under the Bond Resolution</u></b>), and, upon request, the District will provide its annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time.</li> <li>2. Pursuant to the Insurance Agreement, the District is to provide all information furnished pursuant to the Continuing Disclosure Agreement simultaneously to the Insurer.</li> </ol>	

**Procedure:**

1. The District Accountant will assemble/prepare the Annual Report (including the certification discussed under Note 1 above) and will either: (i) transmit the same to the Dissemination Agent (as defined in **Exhibit A**, Continuing Disclosure Agreement), on or before September 15 of each year; or (ii) will file the Annual Report with the MSRB by September 30 of each year.
2. The District Accountant will copy the Insurer, the then-current general counsel (“**General Counsel**”), and the then-current District manager (“**District Manager**”) on all submittals of the Annual Report.

<b>NOTICE OF MATERIAL EVENT</b>		
<b>Reporting / Submittal Deadlines</b>	<b>Responsible Party to Report Event of Default</b>	<b>Party Responsible to Notify Dissemination Agent/MSRB of Event of Default</b>
District shall file or shall cause to be filed, with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of an event of default listed in the Continuing Disclosure Agreement, a notice of such event	District Accountant, General Counsel, District Manager, or anyone who has actual knowledge of a material event	District Accountant

**McGeady Becher P.C.**  
**Document Retention Policy**

**Types of Documents**

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

**Documents You Provide to Us**

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

**The District's Record**

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

**Supplemental Documents**

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

### **Documents We Retain**

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

### **Delivery of the Record**

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.