

RESOLUTION NO. 2014-11-04

RESOLUTION OF THE BOARD OF DIRECTORS OF
SORREL RANCH METROPOLITAN DISTRICT

REGARDING CONTINUING DISCLOSURE POLICIES AND PROCEDURES

WHEREAS, the Sorrel Ranch Metropolitan District, 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”); and

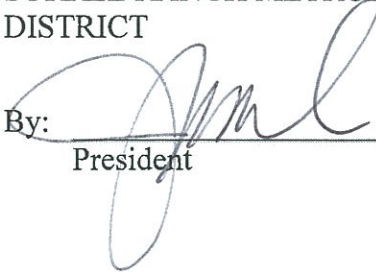
WHEREAS, the Board of Directors of the District (the “Board”) desires to adopt policies and procedures in an effort to ensure compliance by the District with its obligations set forth in the Continuing Disclosure Undertaking (the “Continuing Disclosure Policy”).

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 supplement any previous post-issuance compliance procedures that may have been adopted by the District and 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 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.


ADOPTED this 3rd day of November, 2014

SORREL RANCH METROPOLITAN
DISTRICT

By: 

President

Attest:

By: 

Secretary

EXHIBIT A
CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE AGREEMENT

\$2,735,000
Sorrel Ranch Metropolitan District
(in the City of Aurora)
Arapahoe County, Colorado
Subordinate General Obligation
(Limited Tax Convertible to Unlimited Tax) Bonds
Series 2006

This Continuing Disclosure Agreement (this "Agreement") is entered into as of September 22, 2006 by and among Sorrel Ranch Metropolitan District, Arapahoe County, Colorado (the "District"), TOUSA Homes, Inc., (the "Developer"), and American National Bank, Denver, Colorado, as trustee ("Trustee") under the Indenture of Trust dated as of August 15, 2006 between the Trustee and the District (the "Indenture") pursuant to which the above captioned bonds (the "Bonds") are being issued.

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement dated as of September 20, 2006.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture. The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"Audited Financial Statements" means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"Land Bank" or "Land Banks" means any party which acquires fee simple title to property within the District and simultaneously or subsequently enters into an option agreement with a homebuilder relating to the acquisition of such property from such fee owner.

"Land Bank Contract" or "Land Bank Contracts" means any one or more of the option agreements relating to the acquisition by a homebuilder of lots within the District by and between any Land Bank and a homebuilder.

"Lot" means a finished platted lot within the District.

"Multi-family unit" means a townhome or other multi-family dwelling constructed within the District.

"Single-family home" means a single family detached home located within the boundaries of the District.

Section 3. Procedures for Providing Information.

(a) *Provision of Information to Trustee.* The District, as to Sections 2, 3, 4, 5, 6, 7 and 8 of each Quarterly Report (defined below), and the Developer, as to Section 1 only of each Quarterly Report, hereby agree, respectively, to provide to the Trustee, within 45 days after the end of each calendar quarter, being March 31, June 30, September 30, and December 31, commencing December 31, 2006, a quarterly report in the form Appendix A hereto (each, a "Quarterly Report"). The District shall provide its Audited Financial Statements as part of the September 30 Quarterly Report in each year, and shall obtain the information from the Trustee necessary to complete Section 7 of each Quarterly Report. The Trustee agrees that it will promptly provide such information to the District upon request.

(b) *Dissemination of Information to Recipients.* The Trustee will provide a copy of each Quarterly Report to each Owner of the Bonds who has provided (i) a written request to the Trustee that the information identified in this Agreement be provided to such Owner and (ii) a name and address to the Trustee for the transmission of such information (collectively, the "Recipients").

(c) *Other Information.* In addition to the information set forth in the Quarterly Report, upon request, the District and the Developer agree to cooperate with any Recipient with respect to a reasonable request for the provision of any other information which is within such party's actual knowledge, which is relevant to the District, the Development, or the Bonds.

(d) *Means of Transmitting Information.* Subject to technical and economic feasibility, the District and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request and the Trustee shall, subject to technical and economic feasibility, employ such methods of information transmission as shall be requested or recommended by the designated Recipients of the information to be received pursuant to this Agreement.

Section 4. Termination. The obligations of the District under this Agreement shall terminate at such time as the Bonds are no longer Outstanding. The obligations of the Developer under this Agreement shall terminate after the earlier of (i) the quarter after completion of all homebuilding construction in the Development or (ii) when the District's Senior Debt to Assessed Ratio is 50% or less.

Section 5. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Recipients.

Section 6. Failure to Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement and such failure is not cured within fifteen (15) days of written notice thereof to the District, any Recipient may take such reasonable actions as may be necessary and appropriate, including seeking specific

performance by court order, to cause the District to comply with its obligations hereunder; provided, however, that if the Developer fails to provide the information to the District as required hereunder, the District shall be obligated to provide only such information, if any, received from the Developer, in addition to any information required to be provided by the District hereunder. If the Developer fails to comply with this Agreement and such failure is not cured within fifteen (15) days of written notice thereof to the Developer, any Recipient may take such reasonable actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Developer to comply with its obligations hereunder.

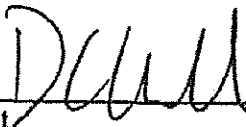
Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 8. Beneficiaries. This Agreement shall inure solely to the benefit of the Recipients and shall create no rights in any other person or entity.

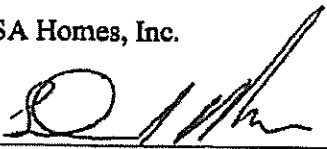
[Signature Page Follows]

This CONTINUING DISCLOSURE AGREEMENT is executed as of the date first set forth above.

SORREL RANCH METROPOLITAN DISTRICT,
ARAPAHOE COUNTY, COLORADO

By: 
President

TOUSA Homes, Inc.

By: 
Name/Title: Steven J. Harriman, V.P. Finance

AMERICAN NATIONAL BANK,
as Trustee

By: 
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A

FORM OF QUARTERLY REPORT

QUARTERLY REPORT

**Sorrel Ranch Metropolitan District
In Arapahoe County, Colorado
Subordinate General Obligation
(Limited Tax Convertible to Unlimited Tax) Bonds
Series 2006**

Date of Report: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (“Agreement”) entered into as of September 22, 2006 by and among Sorrel Ranch Metropolitan District, Arapahoe County, Colorado (the “District”), TOUSA Homes, Inc., (the “Developer”), and American National Bank, Denver, Colorado, as trustee (“Trustee”) under the Indenture of Trust dated as of September 1, 2006 between the Trustee and the District (the “Indenture”) pursuant to which the above captioned bonds (the “Bonds”) were issued.

Section 1. Development Information.

(a) ***Certificates of Occupancy***

(i) The number of certificates of occupancy issued within the District since the last Quarterly Report is _____.

(ii) With respect to the number of certificates of occupancy specified in subsection (a)(i) above, the types and the corresponding number of certificates of occupancy which have been issued for each home type are set forth in the table below:

Single-family homes	Multi-family units

(iii) The cumulative number of certificates of occupancy issued within the District since District formation is _____.

(iv) With respect to the number of certificates of occupancy specified in subsection (a)(iii) above, the types and the corresponding number of certificates of occupancy which have been issued for each home type are set forth in the table below:

Single-family homes	Multi-family units

(b) ***Building Permits***

(i) The number of building permits issued within the District since the last Quarterly Report is _____.

(ii) With respect to the number of building permits specified in subsection (b)(i) above, the types and the corresponding number of permits which have been issued for each type of home are set forth in the table below:

Single-family homes	Multi-family units

(iii) The cumulative number of building permits issued within the District since District formation is _____.

(iv) With respect to the number of building permits specified in subsection (b)(iii) above, the types and the corresponding number of permits which have been issued for each type of home are set forth in the table below:

Single-family homes	Multi-family units

(c) ***Property Under Contract to Homeowners.***

(i) To the extent available to the Developer, property within the District for which contracts have been entered into for sale to third party homeowners since the last Quarterly Report is comprised of _____ single family homes and _____ multi-family units.

(ii) To the extent available to the Developer, property within the District which is currently under contract for sale to homeowners, cumulatively, is

comprised of _____ single-family homes and _____ multi-family units. *(Such numbers should represent only that property which is still under contract and has not closed to such homeowners. Contracts which have closed with title transferred should be included in subsection (g) below.)*

(d) Property Under Contract to Builders.

(i) Property within the District for which contracts have been entered into for sale to builders since the last Quarterly Report is comprised of _____ single family lots and _____ multi-family units. The following is a breakdown of such lots under contract to each of the builders specified below. *(Do not include property under contract for sale to Land Banks.)*

Name of Builder	Single-family homes	Multi-family units

(ii) Property within the District which is presently under contract for sale to builders cumulatively, is comprised of _____ single-family lots and _____ multi-family units. The following is a breakdown of such lots and units under contract to each of the builders specified below. *(Do not include property under contract for sale to Land Banks. In addition, such numbers should represent only that property which is still under contract and has not closed. Contracts which have closed with title transferred should be included in subsection (f) below.)*

Name of Builder	Single-family homes	Multi-family units

(e) **Lot Takedowns Under Land Bank Contracts.**

(i) To the extent available to the Developer, property within the District which builders have acquired (i.e., closed with title transferred to such builder) pursuant to exercise of an option under a Land Bank Contract since the last Quarterly Report is a total of _____ lots, as more specifically set forth in the following table:

Name of Land Bank	Name of Builder	# of Lots Acquired by Builder

(ii) To the extent available to the Developer, property within the District which builders have acquired (i.e., closed with title transferred to such builder) pursuant to exercise of an option under a Land Bank Contract, cumulatively, since District formation, is a total of _____ lots, as more specifically set forth in the following table:

Name of Land Bank	Name of Builder	# of Lots Acquired by Builder

(f) ***Lots Closed to Builders (Excluding Takedowns under Land Bank Contracts)***.

(i) Property within the District which builders have closed with title transferred since the last Quarterly Report is _____ single-family lots and _____ multi-family units, as more specifically set forth in the following table:

Name of Builder	Single-family lots	Multi-family units

(ii) Property within the District which builders have closed with title transferred, cumulatively, since District formation, is _____ single family lots and _____ townhome lots, as more specifically set forth in the following table:

Name of Builder	Single-family lots	Multi-family units

(g) ***Homes Closed to Homeowners.***

(i) To the extent available to the Developer, property within the District which homeowners have closed with title transferred since the last Quarterly Report is _____ single family homes and _____ multi-family units.

(ii) To the extent available to the Developer, property within the District which homeowners have closed with title transferred, cumulatively, since

District formation, is _____ single family homes and _____ multi-family units.

Section 2. Facilities Development Fees.

(i) The number of Facilities Development Fees paid to the District since the last Quarterly Report is _____ totaling \$_____ for single-family homes and _____ totaling \$_____ for multi-family units.

(ii) The cumulative number of Facilities Development Fees issued for Homes within the District since District formation is _____ totaling \$_____ for single-family homes and _____ totaling \$_____ for multi-family units.

Section 3. Assessed Value.

(a) The current assessed value of the District, as published or certified by the county assessor of Arapahoe County, Colorado (the "Assessor") is \$_____ as of _____ [Date].

(b) The assessed value set forth in subsection (a) above is the District's [preliminary certified] [final certified] assessed value for assessment year _____.

Section 4. Actual Value.

(a) The current "actual value" of the District, as such terms is used and published or certified by the Assessor is \$_____ as of _____ [Date].

(b) The Actual Value set forth in subsection (a) above is the District's [preliminary certified] [final certified] actual value for assessment year _____.

Section 5. Mill Levy Certification. The District certified a mill levy of _____ mills on _____ [Date] to the Assessor, comprised of _____ mills for debt service and _____ mills for operations and maintenance.

Section 6. Attached Quarterly Financial Information. Quarterly information listed below need not be included for the fourth quarter of each year if such information is included in the annual information set forth in Section 7 below. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Unaudited quarterly financial statements for the District for the period ending _____.

(b) Year to date *actual* budget, compared with adopted budget, for the District's General Fund, Debt Service Fund and Capital Projects Fund, as of _____, _____, and _____, [Dates] respectively.

(c) Report(s) of the District's auditor issued since the last Quarterly Report.

Section 7. Attached Annual Financial Information. Each of the annual information items set forth below must be provided only once each year. Audited Annual Financial Statements shall be provided with, and no later than, the September 30 Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Audited Annual Financial Statements of the District for the year ending _____. *(Must be provided with the September 30 Quarterly Report)*

(b) Unaudited annual financial statements of the District for the year ending _____. *(Must be provided with the March 31 Quarterly Report)*

(c) Annual budget of the District for fiscal year _____. Such annual budget [has] [has not] been adopted by the Board of Directors of the District *(Must be provided with the December 31 Quarterly Report)*

Section 8. Fund and Account Balances. The amounts on deposit with the Trustee pursuant to the provisions of the Indenture (each, as defined in the Indenture), are as follows:

(a) The amount on deposit in the Bond Fund is \$_____ as of _____ [Date].

(b) The amount on deposit in the Project Fund is \$_____ as of _____ [Date].

(c) The amount on deposit in the Surplus Fund is \$_____ as of _____ [Date].

The undersigned hereby certify, respectively, that they are authorized representatives of the District and the Developer, respectively, and that the foregoing information contained in this Quarterly Report is, to the best of their knowledge, true, accurate and complete.

CONTINUING DISCLOSURE AGREEMENT

\$11,675,000
Sorrel Ranch Metropolitan District
(in the City of Aurora)
Arapahoe County, Colorado
General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds
Series 2006

This Continuing Disclosure Agreement (this "Agreement") is entered into as of September 22, 2006 by and among Sorrel Ranch Metropolitan District, Arapahoe County, Colorado (the "District"), TOUSA Homes, Inc., (the "Developer"), and American National Bank, Denver, Colorado, as trustee ("Trustee") under the Indenture of Trust dated as of September 1, 2006 between the Trustee and the District (the "Indenture") pursuant to which the above captioned bonds (the "Bonds") are being issued.

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement dated as of September 20, 2006.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture and the Limited Offering Memorandum dated as of September 20, 2006 prepared in connection with the offer and sale of the Bonds (the "Limited Offering Memorandum"). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"Audited Financial Statements" means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"Land Bank" or *"Land Banks"* means any party which acquires fee simple title to property within the District and simultaneously or subsequently enters into an option agreement with a homebuilder relating to the acquisition of such property from such fee owner.

"Land Bank Contract" or *"Land Bank Contracts"* means any one or more of the option agreements relating to the acquisition by a homebuilder of lots within the District by and between any Land Bank and a homebuilder.

"Lot" means a finished platted lot within the District.

"Multi-family unit" means a townhome or other multi-family dwelling constructed within the District.

"Single-family home" means a single family detached home located within the boundaries of the District.

Section 3. Procedures for Providing Information.

(a) ***Provision of Information to Trustee.*** The District, as to Sections 2, 3, 4, 5, 6, 7 and 8 of each Quarterly Report (defined below), and the Developer, as to Section 1 only of each Quarterly Report, hereby agree, respectively, to provide to the Trustee, within 45 days after the end of each calendar quarter, being March 31, June 30, September 30, and December 31, commencing December 31, 2006, a quarterly report in the form Appendix A hereto (each, a "Quarterly Report"). The District shall provide its Audited Financial Statements as part of the September 30 Quarterly Report in each year, and shall obtain the information from the Trustee necessary to complete Section 7 of each Quarterly Report. The Trustee agrees that it will promptly provide such information to the District upon request.

(b) ***Dissemination of Information to Recipients.*** The Trustee will provide a copy of each Quarterly Report to each Owner of the Bonds who has provided (i) a written request to the Trustee that the information identified in this Agreement be provided to such Owner and (ii) a name and address to the Trustee for the transmission of such information (collectively, the "Recipients").

(c) ***Other Information.*** In addition to the information set forth in the Quarterly Report, upon request, the District and the Developer agree to cooperate with any Recipient with respect to a reasonable request for the provision of any other information which is within such party's actual knowledge, which is relevant to the District, the Development, or the Bonds.

(d) ***Means of Transmitting Information.*** Subject to technical and economic feasibility, the District and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request and the Trustee shall, subject to technical and economic feasibility, employ such methods of information transmission as shall be requested or recommended by the designated Recipients of the information to be received pursuant to this Agreement.

Section 4. Termination. The obligations of the District under this Agreement shall terminate at such time as the Bonds are no longer Outstanding. The obligations of the Developer under this Agreement shall terminate after the earlier of (i) the quarter after completion of all homebuilding construction in the Development or (ii) when the District's Senior Debt to Assessed Ratio is 50% or less.

Section 5. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Recipients.

Section 6. Failure to Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement and such failure is not cured within fifteen (15) days of written notice thereof to the District, any Recipient may take such reasonable actions as may be necessary and appropriate, including seeking specific

performance by court order, to cause the District to comply with its obligations hereunder; provided, however, that if the Developer fails to provide the information to the District as required hereunder, the District shall be obligated to provide only such information, if any, received from the Developer, in addition to any information required to be provided by the District hereunder. If the Developer fails to comply with this Agreement and such failure is not cured within fifteen (15) days of written notice thereof to the Developer, any Recipient may take such reasonable actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Developer to comply with its obligations hereunder.

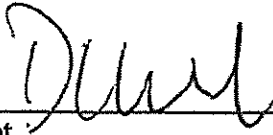
Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 8. Beneficiaries. This Agreement shall inure solely to the benefit of the Recipients and shall create no rights in any other person or entity.


[Signature Page Follows]

This CONTINUING DISCLOSURE AGREEMENT is executed as of the date first set forth above.

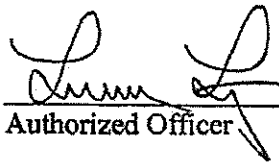
SORREL RANCH METROPOLITAN DISTRICT,
ARAPAHOE COUNTY, COLORADO

By: 
President

TOUSA Homes, Inc.

By: 
Name/Title: Steven J. Harrison, Vice President

AMERICAN NATIONAL BANK,
as Trustee

By 
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A

FORM OF QUARTERLY REPORT

QUARTERLY REPORT

**Sorrel Ranch Metropolitan District
In Arapahoe County, Colorado
General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds
Series 2006**

Date of Report: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of September 22, 2006 by and among Sorrel Ranch Metropolitan District, Arapahoe County, Colorado (the "District"), TOUSA Homes, Inc., (the "Developer"), and American National Bank, Denver, Colorado, as trustee ("Trustee") under the Indenture of Trust dated as of September 1, 2006 between the Trustee and the District (the "Indenture") pursuant to which the above captioned bonds (the "Bonds") were issued.

Section 1. Development Information.

(a) *Certificates of Occupancy*

(i) The number of certificates of occupancy issued within the District since the last Quarterly Report is _____.

(ii) With respect to the number of certificates of occupancy specified in subsection (a)(i) above, the types and the corresponding number of certificates of occupancy which have been issued for each home type are set forth in the table below:

Single-family homes	Multi-family units

(iii) The cumulative number of certificates of occupancy issued within the District since District formation is _____.

(iv) With respect to the number of certificates of occupancy specified in subsection (a)(iii) above, the types and the corresponding number of certificates of occupancy which have been issued for each home type are set forth in the table below:

Single-family homes	Multi-family units

(b) ***Building Permits***

(i) The number of building permits issued within the District since the last Quarterly Report is _____.

(ii) With respect to the number of building permits specified in subsection (b)(i) above, the types and the corresponding number of permits which have been issued for each type of home are set forth in the table below:

Single-family homes	Multi-family units

(iii) The cumulative number of building permits issued within the District since District formation is _____.

(iv) With respect to the number of building permits specified in subsection (b)(iii) above, the types and the corresponding number of permits which have been issued for each type of home are set forth in the table below:

Single-family homes	Multi-family units

(c) ***Property Under Contract to Homeowners.***

(i) To the extent available to the Developer, property within the District for which contracts have been entered into for sale to third party homeowners since the last Quarterly Report is comprised of _____ single family homes and _____ multi-family units.

(ii) To the extent available to the Developer, property within the District which is currently under contract for sale to homeowners, cumulatively, is

comprised of _____ single-family homes and _____ multi-family units. *(Such numbers should represent only that property which is still under contract and has not closed to such homeowners. Contracts which have closed with title transferred should be included in subsection (g) below.)*

(d) Property Under Contract to Builders.

(i) Property within the District for which contracts have been entered into for sale to builders since the last Quarterly Report is comprised of _____ single family lots and _____ multi-family units. The following is a breakdown of such lots under contract to each of the builders specified below. *(Do not include property under contract for sale to Land Banks.)*

Name of Builder	Single-family homes	Multi-family units

(ii) Property within the District which is presently under contract for sale to builders cumulatively, is comprised of _____ single-family lots and _____ multi-family units. The following is a breakdown of such lots and units under contract to each of the builders specified below. *(Do not include property under contract for sale to Land Banks. In addition, such numbers should represent only that property which is still under contract and has not closed. Contracts which have closed with title transferred should be included in subsection (f) below.)*

Name of Builder	Single-family homes	Multi-family units

(e) *Lot Takedowns Under Land Bank Contracts.*

(i) To the extent available to the Developer, property within the District which builders have acquired (i.e., closed with title transferred to such builder) pursuant to exercise of an option under a Land Bank Contract since the last Quarterly Report is a total of _____ lots, as more specifically set forth in the following table:

Name of Land Bank	Name of Builder	# of Lots Acquired by Builder

(ii) To the extent available to the Developer, property within the District which builders have acquired (i.e., closed with title transferred to such builder) pursuant to exercise of an option under a Land Bank Contract, cumulatively, since District formation, is a total of _____ lots, as more specifically set forth in the following table:

Name of Land Bank	Name of Builder	# of Lots Acquired by Builder

- (f) *Lots Closed to Builders (Excluding Takedowns under Land Bank Contracts)*.

(i) Property within the District which builders have closed with title transferred since the last Quarterly Report is _____ single-family lots and _____ multi-family units, as more specifically set forth in the following table:

Name of Builder	Single-family lots	Multi-family units

(ii) Property within the District which builders have closed with title transferred, cumulatively, since District formation, is _____ single family lots and _____ townhome lots, as more specifically set forth in the following table:

Name of Builder	Single-family lots	Multi-family units

(g) **Homes Closed to Homeowners.**

(i) To the extent available to the Developer, property within the District which homeowners have closed with title transferred since the last Quarterly Report is _____ single family homes and _____ multi-family units.

(ii) To the extent available to the Developer, property within the District which homeowners have closed with title transferred, cumulatively, since District formation, is _____ single family homes and _____ multi-family units.

Section 2. Facilities Development Fees.

(i) The number of Facilities Development Fees paid to the District since the last Quarterly Report is _____ totaling \$_____ for single-family homes and _____ totaling \$_____ for multi-family units.

(ii) The cumulative number of Facilities Development Fees issued for Homes within the District since District formation is _____ totaling \$_____ for single-family homes and _____ totaling \$_____ for multi-family units.

Section 3. Assessed Value.

(a) The current assessed value of the District, as published or certified by the county assessor of Arapahoe County, Colorado (the "Assessor") is \$_____ as of _____ [Date].

(b) The assessed value set forth in subsection (a) above is the District's [preliminary certified] [final certified] assessed value for assessment year _____.

Section 4. Actual Value.

(a) The current "actual value" of the District, as such terms is used and published or certified by the Assessor is \$_____ as of _____ [Date].

(b) The Actual Value set forth in subsection (a) above is the District's [preliminary certified] [final certified] actual value for assessment year _____.

Section 5. Mill Levy Certification. The District certified a mill levy of _____ mills on _____ [Date] to the Assessor, comprised of _____ mills for debt service and _____ mills for operations and maintenance.

Section 6. Attached Quarterly Financial Information. Quarterly information listed below need not be included for the fourth quarter of each year if such information is included in

the annual information set forth in Section 7 below. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Unaudited quarterly financial statements for the District for the period ending _____.

(b) Year to date *actual* budget, compared with adopted budget, for the District's General Fund, Debt Service Fund and Capital Projects Fund, as of _____, _____, and _____, [Dates] respectively.

(c) Report(s) of the District's auditor issued since the last Quarterly Report.

Section 7. Attached Annual Financial Information. Each of the annual information items set forth below must be provided only once each year. Audited Annual Financial Statements shall be provided with, and no later than, the September 30 Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Audited Annual Financial Statements of the District for the year ending _____. *(Must be provided with the September 30 Quarterly Report)*

(b) Unaudited annual financial statements of the District for the year ending _____. *(Must be provided with the March 31 Quarterly Report)*

(c) Annual budget of the District for fiscal year _____. Such annual budget [has] [has not] been adopted by the Board of Directors of the District *(Must be provided with the December 31 Quarterly Report)*

Section 8. Fund and Account Balances. The amounts on deposit with the Trustee pursuant to the provisions of the Indenture (each, as defined in the Indenture), are as follows:

(a) The amount on deposit in the Bond Fund is \$ _____ as of _____ [Date].

(b) The amount on deposit in the Project Fund is \$ _____ as of _____ [Date].

(c) The amount on deposit in the Surplus Fund is \$ _____ as of _____ [Date].

The undersigned hereby certify, respectively, that they are authorized representatives of the District and the Developer, respectively, and that the foregoing information contained in this Quarterly Report is, to the best of their knowledge, true, accurate and complete.

As to Sections 2 through 8:

SORREL RANCH METROPOLITAN DISTRICT,
ARAPAHOE COUNTY, COLORADO

By: _____
Authorized Representative

As to Section 1 only:

TOUSA Homes, Inc.

By: _____
Name/Title: _____

[Certification Page to Quarterly Report]

EXHIBIT B
COMPLIANCE PROCEDURE

CONTINUING DISCLOSURE POLICIES & PROCEDURES¹
COMPLIANCE PROCEDURES

Name and Jurisdiction of District: Sorrel Ranch Metropolitan District, Arapahoe County
 Name, Date and Amount of Issue: \$11,675,000 General Obligation Bond Series 2006 & \$2,735,000
 Subordinate General Obligation Bonds, Series 2006
 Date of Continuing Disclosure Undertaking: September 22, 2006

Subject to SEC Rule 15c2-12: _____ (Yes) X (No)

Defined Terms Key
 AR = Annual Report
 DA = Party responsible for MSRB submissions
 FFN = Failure to File Notice
 MEN = Material Event Notice
 QR = Quarterly Report
 SD = AR/QR Due Date to MSRB

FINANCIAL DISCLOSURES

<u>Submittal Due Date to MSRB</u> <u>("SD")²</u>	<u>Required Documentation Prepared</u> <u>By</u>	<u>Draft AR/QR to Responsible</u> <u>Parties for Review/Comment</u>	<u>Date AR/QR Comments</u> <u>due from Responsible</u> <u>Parties</u>	<u>Date Final AR/QR</u> <u>to DA for</u> <u>Submission</u>	<u>DA Certificate to</u> <u>District and Responsible</u> <u>Parties³</u>
SD for Annual Report/FFN June 29 Responsible Party to Submit/Dissemination Agent (DA) Accountant					
	Audited Financial Statements: _____ <i>Accountant</i>	No later than May 15 before SD to SDMS	No later than May 30 before SD to MS	No later than June 19 before SD	Immediately upon submission on SD
SD for Quarterly Report/FFN February 14 May 15 August 14 November 14 Responsible Party to Submit/Dissemination Agent (DA) Clifton Gunderson LLP					

¹Nothing set forth herein shall be construed to revise, replace or substitute the requirements set forth in the applicable continuing disclosure undertaking ("CDU"). The requirements of the CDU shall control in all instances and should be reviewed in connection with the information set forth herein.

²AR submitted in MSRB required format (e.g., searchable PDF). Failure to File Notice (FFN) include statement or information re: nature and/or cause of the failure to meet Submittal Deadline; give approximate timeframe for when complete information will be submitted.

³DA to provide certificate to District re: AR/QR prepared and submitted per CDA requirements; in prescribed format; date submitted; copies of submission.

CONTINUING DISCLOSURE POLICIES & PROCEDURES¹
COMPLIANCE PROCEDURES

Name and Jurisdiction of District: Sorrel Ranch Metropolitan District, Arapahoe County
 Name, Date and Amount of Issue: \$11,675,000 General Obligation Bond Series 2006 & \$2,735,000
 Subordinate General Obligation Bonds, Series 2006
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FINANCIAL DISCLOSURES

<u>Submittal Due Date to MSRB</u> <u>("SD")²</u>	<u>Required Documentation Prepared</u> <u>By</u>	<u>Draft AR/QR to Responsible</u> <u>Parties for Review/Comment</u>	<u>Date AR/QR Comments</u> <u>due from Responsible</u> <u>Parties</u>	<u>Date Final AR/QR</u> <u>to DA for</u> <u>Submission</u>	<u>DA Certificate to</u> <u>District and Responsible</u> <u>Parties³</u>
Quarterly Report SD: February 14 May 15 August 14 November 14	District: Sorrel Ranch MD Assessed Valuation Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Actual Value Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Mill Levies Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Other [List Items/Responsible Party] Accountant/District Manager <u>Financial Reports:</u> _____ Unaudited Quarterly Financials Y <input checked="" type="checkbox"/> N <input type="checkbox"/> YTD Budget Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Audited Annual Financials Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Annual Budget Financial Reports Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Other [List Items/Responsible Party] _____ _____ _____	No later than 45 days before SD to SDMS	No later than 30 days before SD to MS	No later than 10 days before SD	Immediately upon submission on SD

¹Nothing set forth herein shall be construed to revise, replace or substitute the requirements set forth in the applicable continuing disclosure undertaking ("CDU"). The requirements of the CDU shall control in all instances and should be reviewed in connection with the information set forth herein.

²AR submitted in MSRB required format (e.g., searchable PDF). Failure to File Notice (FFN) include statement or information re: nature and/or cause of the failure to meet Submittal Deadline; give approximate timeframe for when complete information will be submitted.

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