

**CIMARRON METROPOLITAN DISTRICT
AND
VAUXMONT METROPOLITAN DISTRICT
GENERAL INFORMATION AND DISCLOSURE SHEET**

(JUNE 2020)

GENERAL INFORMATION

This General Information Sheet has been prepared by Cimarron Metropolitan District (“**Cimarron**”) and Vauxmont Metropolitan District (“**Vauxmont**” and, collectively with Cimarron, the “**Districts**”) to provide prospective property owners with general information regarding the Districts and their operations. This information sheet is intended to provide an overview of pertinent information related to the Districts and does not purport to be comprehensive or definitive. You are encouraged to independently review any applicable documents to confirm the accuracy and completeness of all statements contained herein.

ORGANIZATION OF DISTRICTS

The property within the Candelas development (“**Development**”) is located within the boundaries and/or service area of the Districts as described in the map attached hereto as **Exhibit A**. The Districts are quasi-municipal corporations and political subdivisions of the State of Colorado organized in the City of Arvada (“**City**”). The Districts operate pursuant to Service Plans which were approved by the City on March 1, 2004 (as modified on March 29, 2010, the “**Service Plans**”). Pursuant to a Facilities Funding, Construction and Operations Agreement between the Districts, Cimarron serves as the “**Managing District**” for financing, constructing, operating, and maintaining certain public improvements within its service area, which is generally the boundaries of the Development, and Vauxmont serves as the “**Financing District**” to provide funding to the Managing District. The Development is also within the service area of Jefferson Center Metropolitan District No. 2 (“**JCMD No. 2**”). Pursuant to the Service Plans, and pursuant to an agreement with the Districts, JCMD No. 2 provides certain services to the Districts related to the provision of regional infrastructure in its service area, which includes a portion of the Development.

DISTRICT BOARD OF DIRECTORS

Each of the Districts is governed by a five-member Board of Directors. Board members are elected by the property owners within the Districts and are elected to staggered four-year terms of office. Any individual who resides within the boundaries of the Districts, or who owns or is under contract to purchase taxable real or personal property situated within the boundaries of the Districts, and is a registered voter in Colorado, is eligible to serve on the Districts’ Boards of Directors (the “**Boards**”). The Boards’ regular meeting dates and meeting location, as well as a copy of the Districts’ Service Plans, may be obtained from the Districts’ General Counsel or Manager:

General Counsel:
 McGeady Becher P.C.
 450 E. 17th Avenue, Suite 400
 Denver, CO 80203
 (303) 592-4380
 Attn: Megan Becher

Manager:
 CCMC
 19865 W. 94th Avenue
 Arvada, CO 80007
 (720) 625-8080
 Attn: Traci McDonald

DISTRICTS’ POWERS, IMPROVEMENTS AND SERVICES

The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop, and finance certain public improvements benefitting the Development, as defined in the Service Plans. The Districts intend to dedicate the majority of the public improvements to the City, or other appropriate jurisdictions, in a manner consistent with the Service Plans, Approved Development Plan, rules and regulations of the City, and applicable provisions of the City Code. The Districts are authorized to operate and maintain any part or all of the public improvements which are not dedicated to the City or other appropriate jurisdictions.

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICTS

Ad Valorem Property Taxes

The Districts’ primary source of revenue is from property taxes imposed on property within their boundaries. Vauxmont, as the Financing District and along with other taxing entities, certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. Cimarron, as the Managing District, does not currently impose, and is not anticipated to impose, a mill levy. In accordance with the Service Plans, the maximum mill levy the Districts may impose for debt service is 50 mills, subject to adjustment as described below (“**Mill Levy Cap**”). The Mill Levy Cap remains in place until the principal amount of the respective District’s outstanding general obligation bonds is 50% or less than the assessed valuation of taxable property in the District. When the threshold is met, the Mill Levy Cap is no longer applicable.

The Districts’ mill levy may also be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below.

Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R =AV]	Mill Levy/Rate ¹ (M)	Amount of District Tax Due [AV x M]
(a) 2019	\$450,000	7.20%	\$32,400	50.000/0.050000	\$1,620.00
(b) 2020	\$450,000	7.15%	\$32,175	50.350/0.050350	\$1,620.00

¹ Each mill is equal to 1/1000th of a dollar

(a) If in 2019 the Actual Value of the Property was \$450,000, and the Assessment Ratio established by the State Legislature for that year was 7.20%, the Assessed Value of the Property is \$32,400 (i.e., $\$450,000 \times 7.20\% = \$32,400$). Vauxmont certifies a 50.000 mill levy, which would generate approximately \$1,620.00 in revenue.

(b) If in 2020 the Actual Value of the Property remains at \$450,000, but the Assessment Ratio established by the State Legislature for that year is 7.15%, the Assessed Value would be \$32,175 (i.e., $\$450,000 \times 7.15\% = \$32,175$). Vauxmont would need to certify a 50.35 mill levy in order to generate the same revenue as in 2020.

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE, INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY OF THE DISTRICTS.

The Service Plans do not limit the amount of the mill levy the Districts may impose for operations and maintenance purposes.

Fees

Pursuant to the Service Plans, the Districts are authorized to impose fees, rates, tolls and charges payable at or before issuance of a building permit to contribute to the cost of acquisition and/or development of water rights and capital infrastructure. The Service Plans do not limit the amount or type of any such fees. The Districts have adopted a Joint Resolution Regarding the Imposition of Capital Fees (as amended, the “**Resolution**”), pursuant to which the Districts imposed certain capital fees against the property in the Development to defray the cost of public improvements necessary to serve the Development (“**Capital Fees**”) which are paid by the homebuilder at the time of issuance of a building permit. As of the date of this General Information Sheet, the Districts have imposed the following Capital Fees upon Single Family and Multi-Family units within the Development:

- (a) District Capitalization Fee;
- (b) Park Development Fee; and
- (c) Water Fee.

The amount of the Capital Fees may be increased from time to time, as determined by the Board of Directors of the Districts.

DEBT

In accordance with the Districts’ agreement with JCMD No. 2, the Districts have authority to issue debt in the aggregate amount of One Hundred Thirty-Eight Million Five Hundred Twenty-Five Thousand Dollars (\$138,525,000) to provide and pay for public infrastructure improvement costs (“**Debt Limit**”). Any issue of bonds will mature not more than 40 years from the date of issuance and the maximum interest rate is 18%. All bonds will be repaid through ad valorem property taxes imposed by the Districts on all taxable property located within the Districts, together with any other revenues available to and pledged by the Districts.

As of the date hereof, the Districts have issued debt up to the Debt Limit. Therefore, the Districts do not anticipate incurring any additional debt, unless otherwise approved by the City. Specifically, the Districts have issued the following debt for purposes of paying for public infrastructure to serve the Districts:

On December 20, 2019, Vauxmont issued its \$66,265,000 Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2019 (the “**2019 Bonds**”) to refinance and refund debt previously incurred by the Districts. The 2019 Bonds are payable from pledged revenue consisting of certain property tax revenues from Vauxmont’s imposition of a debt service mill levy not to exceed 50 mills (but subject to adjustment as described above), certain revenues the Districts receive from the Arvada Urban Renewal Authority (“**AURA**”) pursuant to an agreement with AURA, certain specific ownership tax revenue, the Capital Fees, and other legally available moneys which Vauxmont decides to credit to the bond fund. The 2019 Bonds bear interest at 5.0% per annum for bonds maturing through December 15, 2032 and 3.25% per annum for bonds maturing on December 15, 2033 through December 15, 2050, and fully mature on December 15, 2050.

Vauxmont has also authorized the issuance of \$66,355,000 Senior Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2020 (the “**2020 Bonds**”) which will be issued on or after September 2, 2020. Proceeds of the 2020 Bonds will also be applied to refund and refinance debt previously issued by the Districts. The 2020 Bonds are payable from pledged revenue consisting of certain property tax revenues from Vauxmont’s imposition of a debt service mill levy not to exceed 50 mills (but subject to adjustment as described above), certain revenues the Districts receive from the Arvada Urban Renewal Authority (“**AURA**”) pursuant to an agreement with AURA, certain specific ownership tax revenue, the Capital Fees, and other legally available moneys which Vauxmont decides to credit to the bond fund. The 2020 Bonds will bear interest at 5.0% per annum and fully mature on December 1, 2050.

COVENANT ENFORCEMENT

The property within the Development is subject to those certain Protective Covenants and Easements of Candelas (“**Covenants**”). Vauxmont is responsible for the enforcement of certain of those Covenants, including, but not limited to: (1) maintenance, repair and replacement of certain drainage improvements; (2) design review approval; (3) administration and enforcement of certain geothermal and solar programs, improvements and technologies; (4) landscape maintenance of certain specific lots within the Development; and (5) administration of trash removal and recycling programs. The Districts cooperate in the imposition and collection of fees for the provision of services described within the Covenants. Those fees include:

- (a) Transfer and Plan Review Fee, due at closing or in the case of a subsequent request for design review, at the time of review;
- (b) Landscape and Snow Removal Fee, due monthly; and
- (c) Trash and Recycling Fee, due quarterly.

RELATIONSHIP WITH OTHER DISTRICTS

In May, 2010, Vauxmont formed Candelas Special Improvement District Nos. 1 and 2 (“**SIDs**”). The SIDs were organized to serve the Development through encouraging, accommodating, and providing financing for renewable energy and energy efficiency improvements (“**Green Improvements**”). The SIDs are not independent governmental entities; rather, they are geographical divisions of Vauxmont. Candelas Special Improvement District No. 1 (“**SID 1**”) is located wholly within the boundaries of Vauxmont. Candelas Special Improvement District No. 2 does not currently have any property within its boundaries. SID 1 has entered into a Declaration of Trust with Vauxmont and the Lender (“**Trust**”) whereby SID 1, as Trustee, will administer programs to facilitate the financing and installation of renewable energy and energy efficiency improvements. The Trust is funded, in part, by certain “**Sustainability Contributions**” that are paid by home builders at the time of closing on the purchase of any lot(s) in the following amounts:

- (a) \$3,000 per single-family detached unit;
- (b) \$1,500 per single-family attached unit;
- (c) \$1,000 per multi-family unit; and
- (e) \$2,250 per duplex unit (applies to only certain lots).

The Trust holds the Sustainability Contributions, which may be rebated to homebuilders and/or homebuyers that install qualifying Green Improvements. The requirements related to qualification of and receiving a rebate for Green Improvements are more particularly described in the Trust documents. Additionally, the SIDs have received authority to incur debt for the purpose of financing the Green Improvements, but no such debt has been incurred as of the date of this General Information Sheet.

Should you have any questions with regard to any of the matters discussed herein, please contact General Counsel for the Districts at the address and phone number listed above.

EXHIBIT A

