

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Sabell Metropolitan District (the “**Board**”), City of Arvada, Jefferson County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 19, 2022, at the hour of 10:30 A.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2023 BUDGET

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Sabell Metro District (wba) **
c/o White Bear Ankele, Law
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Jefferson } ss

This Affidavit of Publication for the Arvada Press, a weekly newspaper, printed and published for the County of Jefferson, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/13/2022, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



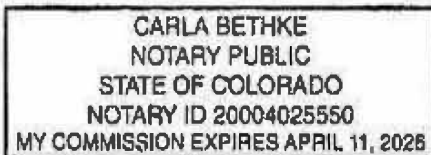
For the Arvada Press

State of Colorado }
County of Jefferson } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/13/2022. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-261221

Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

NOTICE OF PUBLIC HEARING ON THE AMENDED 2022 BUDGET AND NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the SABELL METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on **October 19, 2022 at 10:30 A.M.**, for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

Link:
<https://us06web.zoom.us/j/89758299824?pwd=bkMxZ1E4Ry8zbE02TU5Nc1FZUVNGdz09>
Meeting ID: 897 5829 9824
Passcode: 956028
Call-In Number: 1-720-707-2699

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of CliftonLarsonAllen, LLP, 8390 E Crescent Pkwy #300, Englewood, CO 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

SABELL METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE
TANAKA & WALDRON
Attorneys at Law

Legal Notice No. 414831
First Publication: October 13, 2022
Last Publication: October 13, 2022
Publisher: Jeffco Transcript
and the Arvada Press

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Sabell Metro District (wba) **
c/o White Bear Ankele, Law
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

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County of Jefferson } ss

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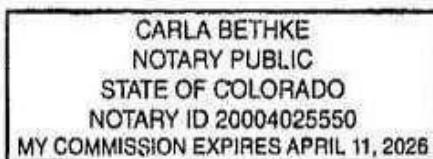
For the Jeffco Transcript

State of Colorado }
County of Jefferson } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/13/2022. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-247625

Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

NOTICE OF PUBLIC HEARING ON THE AMENDED 2022 BUDGET AND NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the SABELL METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on **October 19, 2022 at 10:30 A.M.**, for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

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BY ORDER OF THE BOARD OF DIRECTORS:

SABELL METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE
TANAKA & WALDRON
Attorneys at Law

Legal Notice No. 414831
First Publication: October 13, 2022
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and the Arvada Pres

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 16.087 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 53.625 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.


Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS OCTOBER 19, 2022.

DISTRICT:

SABELL METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Matt Cavanaugh (Dec 7, 2022 17:20 MST)
Officer of the District

Attest:


By: GUILLAUME POUCHOY (Dec 7, 2022 15:55 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law


Kristi B. Tompkins
General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
SABELL METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Wednesday, October 19, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7 day of
December , 2022.


GUILLAUME POUCHOY (Dec 7, 2022 15:55 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SABELL METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**SABELL METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 4,929,654	\$ 1,159,559	\$ 1,023,310
REVENUES			
Interest income	885	5,050	36,800
Developer advance	2,381,161	402,829	4,015,000
Property taxes	108,055	238,032	303,377
Specific ownership tax	8,267	16,662	21,236
Operations fees	1,778	50,000	83,880
Transfer fees	21,000	40,000	39,000
Total revenues	2,521,146	752,573	4,499,293
Total funds available	7,450,800	1,912,132	5,522,603
EXPENDITURES			
General Fund	75,138	107,993	90,000
Special Revenue Fund	6,300	57,000	100,000
Debt Service Fund	377,997	380,000	385,000
Capital Projects Fund	5,831,806	343,829	4,000,000
Total expenditures	6,291,241	888,822	4,575,000
Total expenditures and transfers out requiring appropriation	6,291,241	888,822	4,575,000
ENDING FUND BALANCES	\$ 1,159,559	\$ 1,023,310	\$ 947,604
EMERGENCY RESERVE	\$ 2,000	\$ 1,800	\$ 2,200
SPECIAL REVENUE RESERVE	-	300	2,000
SURPLUS FUND	681,134	871,803	869,854
CAPITALIZED INTEREST FUND	466,296	96,546	-
TOTAL RESERVE	\$ 1,149,430	\$ 970,449	\$ 874,054

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 2,171,601
Vacant land	1,493,200	3,289,029	2,122,082
State assessed	-	2	423
Personal property	-	391	57,759
Certified Assessed Value	<u>\$ 1,493,200</u>	<u>\$ 3,289,422</u>	<u>\$ 4,351,865</u>

MILL LEVY

General	16.699	16.699	16.087
Debt Service	55.664	55.664	53.625
Total mill levy	<u>72.363</u>	<u>72.363</u>	<u>69.712</u>

PROPERTY TAXES

General	\$ 24,935	\$ 54,930	\$ 70,008
Debt Service	83,117	183,102	233,369
Levied property taxes	<u>108,052</u>	<u>238,032</u>	<u>303,377</u>
Budgeted property taxes	<u>\$ 108,052</u>	<u>\$ 238,032</u>	<u>\$ 303,377</u>

BUDGETED PROPERTY TAXES

General	\$ 24,936	\$ 54,930	\$ 70,008
Debt Service	83,119	183,102	233,369
	<u>\$ 108,055</u>	<u>\$ 238,032</u>	<u>\$ 303,377</u>

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 3,487	\$ (4,349)	\$ 5,483
REVENUES			
Developer advance	40,458	59,000	15,000
Property taxes	24,936	54,930	70,008
Specific ownership tax	1,908	3,845	4,901
Interest income	-	50	-
Total revenues	67,302	117,825	89,909
Total funds available	70,789	113,476	95,392
EXPENDITURES			
General and administrative			
Accounting	25,991	33,000	35,000
Auditing	4,700	5,200	5,750
County Treasurer's fee	374	824	1,050
Dues and licenses	382	330	500
Insurance and bonds	3,554	4,248	5,000
Legal services	40,137	60,000	37,500
Miscellaneous	-	1,215	-
Election expense	-	-	2,500
Contingency	-	3,176	2,700
Total expenditures	75,138	107,993	90,000
Total expenditures and transfers out requiring appropriation	75,138	107,993	90,000
ENDING FUND BALANCE	\$ (4,349)	\$ 5,483	\$ 5,392
EMERGENCY RESERVE	\$ 2,000	\$ 1,800	\$ 2,200
TOTAL RESERVE	\$ 2,000	\$ 1,800	\$ 2,200

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 16,478	\$ 49,478
REVENUES			
Operations fees	1,778	50,000	83,880
Transfer fees	21,000	40,000	39,000
Total revenues	<u>22,778</u>	<u>90,000</u>	<u>122,880</u>
Total funds available	<u>22,778</u>	<u>106,478</u>	<u>172,358</u>
EXPENDITURES			
Operations and maintenance			
Repairs and maintenance	-	2,000	5,000
District management	6,000	12,500	24,000
Landscaping	-	18,000	30,000
Trash Removal	-	2,500	10,000
Snow Removal	-	20,000	25,000
Utilities	-	1,500	5,000
Miscellaneous	300	500	1,000
Total expenditures	<u>6,300</u>	<u>57,000</u>	<u>100,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,300</u>	<u>57,000</u>	<u>100,000</u>
ENDING FUND BALANCE	<u>\$ 16,478</u>	<u>\$ 49,478</u>	<u>\$ 72,358</u>
SPECIAL REVENUE RESERVE	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 2,000</u>
TOTAL RESERVE	<u><u>\$ -</u></u>	<u><u>\$ 300</u></u>	<u><u>\$ 2,000</u></u>

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,435,536	\$ 1,147,430	\$ 968,349
REVENUES			
Property taxes	83,119	183,102	233,369
Specific ownership tax	6,359	12,817	16,336
Interest income	413	5,000	36,800
Total revenues	89,891	200,919	286,504
Total funds available	1,525,427	1,348,349	1,254,853
EXPENDITURES			
Debt Service			
Bond interest - Series 2020A	369,750	369,750	369,750
County Treasurer's fee	1,247	2,747	3,501
Paying agent fees	7,000	7,000	7,000
Contingency	-	503	4,749
Total expenditures	377,997	380,000	385,000
Total expenditures and transfers out requiring appropriation	377,997	380,000	385,000
ENDING FUND BALANCE	\$ 1,147,430	\$ 968,349	\$ 869,854
SURPLUS FUND	\$ 681,134	\$ 871,803	\$ 869,854
CAPITALIZED INTEREST FUND	466,296	96,546	-
TOTAL RESERVE	\$ 1,147,430	\$ 968,349	\$ 869,854

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 3,490,631	\$ -	\$ -
REVENUES			
Interest income	472	-	-
Developer advance	2,340,703	343,829	4,000,000
Total revenues	<u>2,341,175</u>	<u>343,829</u>	<u>4,000,000</u>
Total funds available	<u>5,831,806</u>	<u>343,829</u>	<u>4,000,000</u>
EXPENDITURES			
Capital Projects			
Accounting	3,380	-	-
Repay developer advance	3,485,133	-	-
Engineering	7,132	1,733	-
Capital outlay	<u>2,336,161</u>	<u>342,096</u>	<u>4,000,000</u>
Total expenditures	<u>5,831,806</u>	<u>343,829</u>	<u>4,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,831,806</u>	<u>343,829</u>	<u>4,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Sabell Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on January 24, 2019, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is location in Jefferson County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contractual.

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

Developer Advances

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. The Developer is also expected to construct or cause to construct public improvements on behalf of the District. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%.

**SABELL METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the property tax summary information page of the budget.

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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Operations fees

The District imposes an Operations Fee on all residential units within the boundaries of the District to fund operating costs. The Operations Fee is a recurring payment of \$360 per unit per year.

Transfer fees

The District imposes a Transfer fee of \$600 upon on each transfer of a residential unit to an end user, including single family and multi-family dwellings and excluding apartments.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debts and Leases). There is no debt amortization schedule provided for the Series 2019B Subordinate Bonds as the Bond is a cash flow bond and the timing of the payments are unknown.

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

**SABELL METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2020 Bonds

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A on March 5, 2020, in the par amount of \$7,395,000 (the Senior Bonds). The District also issued Subordinate Limited Tax General Obligation Bonds, Series 2020B(3) on March 5, 2020, in the par amount of \$1,816,000 (the Subordinate Bonds). Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the Development; (ii) fund capitalized interest on the Senior Bonds; (iii) partially fund the Senior Surplus Fund; and (iv) pay the costs of issuance of the Senior Bonds and certain costs of issuance of the Subordinate Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (i) finance additional public improvements related to the Development; and (ii) pay certain other costs of issuance of the Subordinate Bonds.

Senior Bond Details

The Senior Bonds bear interest at 5.0%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 ("Interest Payment Dates"), beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2050. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Senior Bonds. Any amount of unpaid principal of or interest on the 2020A Senior Bonds shall be deemed discharged on December 2, 2060.

Senior Pledged Revenue

The Senior Bonds are secured by and payable from the Senior Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Subordinate Bonds Details

The Subordinate Bonds bear interest at a rate of 8.25% per annum and are structured as "cash flow" bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue and accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment.

Payment of principal of and interest on the Subordinate Bonds is subordinate to the annual payment of debt service on the Senior Bonds and to the funding of the Senior Surplus Fund. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid on December 16, 2060, the Subordinate Bonds will be deemed discharged.

**SABELL METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County, which includes: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax resulting from the Subordinate Required Mill Levy; (c) the amounts, if any, in the Senior Surplus Fund released to the District pursuant to the Senior Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue

Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 28, 2028	1.00
March 1, 2028, and thereafter	0.00

Senior Required Mill Levy

Pursuant to the Senior Indenture, prior to the Conversion Date the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

On and after the Conversion Date, the Senior Required Mill Levy will be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and, without limitation of rate and in amounts sufficient to make such payments and replenishments when due.

Conversion Date

Conversion Date means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or interest on the Bonds are past due and the amount on deposit in the Senior Surplus Fund is not less than the initial deposit in the Senior Surplus Fund.

**SABELL METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Debt to Assessed Ratio

The Debt to Assessed Ratio is derived by dividing the District's then-outstanding principal amount of all debt of the District to which property taxes are pledged by the assessed valuation of the taxable property of the District. For purposes of the forecast, the current year Debt to Assessed Ratio is calculated based on the outstanding debt as of December 2 of the current year and the assessed valuation for the subsequent year.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in the amount of (i) 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017) less the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Required Mill Levy equals or exceeds 50 mills in any year, adjusted for changes, the Subordinate Required Mill Levy for that year shall be zero.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2023 as defined under TABOR.

Debt Service Reserve (Surplus Fund)

The District is required to maintain a Surplus Fund from funds that exceed the current year debt service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$1,479,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current year debt service requirements.

This information is an integral part of the accompanying budget.

SABELL METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
MANDATORY REDEMPTION SCHEDULE

\$7,395,000 Limited Tax (Convertible to Unlimited Tax)

General Obligation Bonds

Series 2020A, Dated March 5, 2020

Principal Due December 1

Interest at 5.0%

Payable June 1 and December 1

Year	Principal	Interest	Total
2023	\$ -	\$ 369,750	\$ 369,750
2024	15,000	369,750	384,750
2025	85,000	369,000	454,000
2026	95,000	364,750	459,750
2027	100,000	360,000	460,000
2028	115,000	355,000	470,000
2029	120,000	349,250	469,250
2030	135,000	343,250	478,250
2031	145,000	336,500	481,500
2032	160,000	329,250	489,250
2033	170,000	321,250	491,250
2034	185,000	312,750	497,750
2035	195,000	303,500	498,500
2036	215,000	293,750	508,750
2037	225,000	283,000	508,000
2038	250,000	271,750	521,750
2039	260,000	259,250	519,250
2040	285,000	246,250	531,250
2041	300,000	232,000	532,000
2042	325,000	217,000	542,000
2043	340,000	200,750	540,750
2044	370,000	183,750	553,750
2045	385,000	165,250	550,250
2046	415,000	146,000	561,000
2047	435,000	125,250	560,250
2048	470,000	103,500	573,500
2049	495,000	80,000	575,000
2050	1,105,000	55,250	1,160,250
Total	\$ 7,395,000	\$ 7,346,750	\$ 14,741,750

No assurance provided. See summary of significant assumptions.