

**EL PASO COUNTY SPECIAL DISTRICTS  
ANNUAL REPORT and DISCLOSURE FORM**

1. Name of District(s):	Lorson Ranch Metropolitan Districts Nos. 1-7
2. Report for Calendar Year:	2009
3. Contact Information	<p>Timothy J. Schutz  Hanes &amp; Schutz, LLC  102 South Tejon Street, Suite 800  Colorado Springs, CO 80903  (719) 260-7900  <a href="mailto:firm@haneschutz.com">firm@haneschutz.com</a></p>
4. Meeting Information	<p>Board Meetings of the Districts are scheduled for the <b>second and fourth Thursdays</b> of each month at <b>9:00 a.m.</b> at the district offices located at 212 N. Wahsatch, Suite 301, Colorado Springs, CO 80903, but may be subject to change and may be cancelled at the discretion of the Board, including if there is no business to transact. Up-to-date meeting times, locations, and agendas can be obtained by calling the number listed above under the Districts' Contact Information.</p>
5. Type of District(s)/ Unique Representational Issues (if any)	<p>The Lorson Ranch Metropolitan Districts consist of 7 separate but interrelated Title 32 Special Metropolitan Districts. District No. 1 is the Service District and will contain no residential units. District Nos. 2-7 are the Financing Districts and, among these, it is anticipated that District Nos. 2 – 6 will contain all of the residential development, and District No. 7 will contain the commercial development. Pursuant to the Service Plan for the Districts, either the Service District and/or the Financing Districts may issue bonds or other financial obligations as appropriate to deliver the improvements and services to the property within the boundaries of the Districts. District No. 1, as the Service District, is expected to construct and maintain the public facilities throughout the property within the Districts, and District Nos. 2-6 as the residential districts and District No. 7 as the commercial district, are expected to generate the tax revenue to pay the costs of the capital improvements, administration and operations and maintenance, as well as create benefits for the inhabitants of the community within the combined Districts. Ownership and long term maintenance of public facilities may be turned over to another public entity such as El Paso County for roads and Widefield Water &amp; Sanitation District for wet utilities.</p> <p>Property owners within the Financing District Nos. 2-7 have the opportunity to provide input to the Financing District.</p>

<p>6. Authorized Purposes of the District(s)</p>	<p>The Service Plan authorizes the following services to be provided by the Districts: streets; traffic and safety controls; parks and recreation; water; sanitation; fire protection; and, mosquito control; and, the Districts further have the power to provide such additional services and exercise such other powers as are incidental to or implied from the specific powers set forth above, and to utilize any method, mechanism or institutional structure permitted at law to exercise said powers and/or deliver such services.</p>
<p>7. Active Purposes of the District(s)</p>	<p>The current primary active purposes of the Districts include construction of infrastructure improvements for streets, recreation, drainage, parks and trails, water and sanitation. Once completed, it is contemplated that operation of the water and sanitation improvements will be transferred to Widefield Water and Sanitation District.</p> <p>The districts currently have a contract with Security Fire Protection District to provide fire protection and emergency medical response services.</p> <p>For additional details, please contact the Districts utilizing the contact information listed above.</p>
<p>8. Current Certified Mill Levies</p> <ul style="list-style-type: none"> <li>a. Debt Service (District 2 only)</li> <li>b. Operational (All 7 Districts)</li> <li>c. Fire Service (District 2 only)</li> <li>d. Total</li> </ul>	<ul style="list-style-type: none"> <li>a. 35 mills</li> <li>b. 10 mills</li> <li>c. 8 mills</li> <li>d. 53 mills</li> </ul>
<p>9. Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).</p>	<p>Assumptions:</p> <p>\$200,000.00 is the total actual value of a typical single family home as determined by El Paso County.</p> <p>\$500,000 is the total actual value of the sample commercially- assessed property.</p> <p>Aggregate total mill levy is currently 53.0 mills.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Residential Property</u>:</p> <p><math>\\$200,000 \times .0796 = \\$15,920</math> (Assessed Value)  <math>\\$15,920 \times .0530</math> mills = <b>\$844 per year</b> in sample taxes owed solely to this Special District if the District imposes its maximum operations and contractual mill levy.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Commercial Property</u>:</p> <p><math>\\$500,000 \times .2900 = \\$145,000</math> (Assessed Value)  <math>\\$145,000 \times .053</math> mills = <b>\$7,685 per year</b> in sample taxes owed solely to this Special District if the District imposes its maximum debt service and operations mill levy.</p>

<p>10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals)</p> <p>a. Debt Service b. Operational c. Fire Service d. Total</p>	<p>a. 50 mills for each District b. 10 mills for each District c. 13 mills for each District d. 73 mills for each District</p>
<p>11. Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).</p>	<p>Assumptions: See Assumptions in #9 above.</p> <p>Sample Metropolitan District Maximum Mill Levy Calculation for a <u>Residential Property</u>:</p> <p>\$200,000 x .0796 = \$15,920 (Assessed Value) \$15,920 x .0730 mills = <b>\$1,162 per year</b> in sample taxes owed solely to this Special District if the District imposes its projected debt service, fire service and operations mill levy.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Commercial Property</u>:</p> <p>\$500,000 x .2900 = \$145,000 (Assessed Value) \$145,000 x .0730mills = <b>\$10,585 per year</b> in sample taxes owed solely to this Special District if the District imposes its projected debt service, fire service and operations mill levy.</p>
<p>12. Current Outstanding Debt of the Districts (as of the end of year of this report)</p>	<p>At the present time, the Districts do not have any outstanding general obligation debt. District No. 1 has issued two Bond Anticipation Notes in an aggregate principal amount of \$22,589,855, with such principal balance remaining as of year-end 2008. The Notes are payable solely from the proceeds of general obligation or revenue bonds to be issued by District No. 1 prior to the maturity date of the Notes, or from any legally available revenues made available to the District. No general obligation or revenue bonds have been issued to pay off the Notes but may be issued at a future date.</p> <p>District No. 1 also has an outstanding Developer advance in the principal amount of \$3,729,820 related to infrastructure costs. Districts 2 through 7 have the following outstanding Developer advances related to administrative costs: District No. 2 - \$1,448; District No. 3 - \$2,894; District No. 4 - \$2,894; District No. 5 - \$2,903; District No. 6 - \$2,889; District No. 7 - \$2,904.</p>
<p>13. Total voter-authorized debt of the Districts (including current debt)</p>	<p>At formation, each of the Financing Districts (Districts Nos. 2-7) was voter-authorized to issue General Obligation Debt in an amount not to exceed \$640,000,000 for each District, and not to exceed</p>

	<p>\$2,400,000,000 for the Service District (District No. 1)  The Service Plan limits the debt in total for all Districts to \$300,000,000. Some or all of this entire amount may be issued by an affirmative vote of the Board of Directors of District No. 1 in the future without the necessity of a district-wide vote. There is no voter authorized limit on potential future revenue obligations.</p>
<p>14. Debt proposed to be issued, reissued or otherwise obligated in the coming year.</p>	<p>In 2009, it is anticipated that District No. 1 will issue one or more additional Bond Anticipation Notes to reflect accrued debt (see #12 above). In addition, in 2009, District 1 may issue general obligation or revenue bonds to repay the above referenced Bond Anticipation Notes. One or more of the Districts may issue general obligation or revenue bonds to repay developer advances and for other allowable purposes as determined by the Board of Directors.</p>
<p>15. Major facilities/ infrastructure improvements initiated or completed in the prior year</p>	<p>Construction on the following improvements was initiated in 2008: Install new 24" water line from Widefield Water &amp; Sewer District Goldfield Tanks to Lorson Ranch, Improvements and widening of intersection at Fontaine Blvd. and Marksheffel Road, landscaping at entrance to subdivision. These improvements were all substantially completed in 2008.</p>
<p>16. Summary of major property exclusion or inclusion activities in the past year.</p>	<p>There were no major inclusions or exclusions of property in 2008.</p>

