

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Three Hills Metropolitan District (the “**Board**”), Jefferson County, Colorado (the “**District**”), held a special meeting, via teleconference on October 25, 2023, at the hour of 10:00 am.

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 2024 BUDGET

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

Three Hills Metro District (wba) **
c/o White Bear Ankele
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 Golden Transcript, 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 10/19/2023, 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.



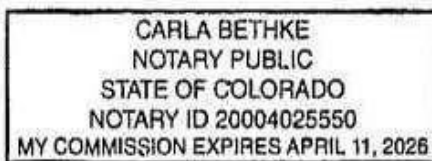
For the Golden Transcript

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 10/19/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-430301

Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET AND NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the THREE HILLS METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on **October 25, 2023 at 10:00 AM**, for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2023 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/82070922737?pwd=A5Frikqh2KHbSZT7aDHysFGjHdJp.1>
Meeting ID: 820 7092 2737
Passcode: 666614
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 East Crescent Parkway, Suite 300, Greenwood Village, 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 at <https://threehillsmetrodistrict.com/> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
THREE HILLS 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. 417068
First Publication: October 19, 2023
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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 2024. 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 2024 budget year, there is hereby levied a tax of 15.591 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 2024 budget year, there is hereby levied a tax of 51.971 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 2024 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 2024 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 OCTOBER 25, 2023.

DISTRICT:

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

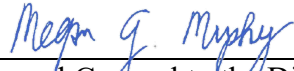
By: 
Matt Cavanaugh (Oct 27, 2023 09:55 MDT)
Officer of the District

Attest:

By: 
Guillaume Pouchot (Oct 31, 2023 10:17 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law




General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
THREE HILLS 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 25, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31 day of October, 2023.


Guillaume Pouchot (Oct 31, 2023 10:17 MDT)

Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

THREE HILLS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**THREE HILLS METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 11,692,186	\$ 8,473,118	\$ 2,644,295
REVENUES			
Property taxes	2,275	73,553	301,811
Specific ownership taxes	156	5,280	21,126
Interest income	162,282	335,646	61,891
Developer advance	3,078,824	6,221,432	6,000,000
Total revenues	<u>3,243,537</u>	<u>6,635,911</u>	<u>6,384,828</u>
Total funds available	<u>14,935,723</u>	<u>15,109,029</u>	<u>9,029,123</u>
EXPENDITURES			
General Fund	50,378	64,071	70,000
Debt Service Fund	4,000	56,641	250,000
Capital Projects Fund	6,408,227	12,344,022	8,704,000
Total expenditures	<u>6,462,605</u>	<u>12,464,734</u>	<u>9,024,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,462,605</u>	<u>12,464,734</u>	<u>9,024,000</u>
ENDING FUND BALANCES	<u>\$ 8,473,118</u>	<u>\$ 2,644,295</u>	<u>\$ 5,123</u>
EMERGENCY RESERVE	\$ 100	\$ 600	\$ 2,300
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 600</u>	<u>\$ 2,300</u>

**THREE HILLS METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Agricultural	\$ 1,168	\$ -	\$ -
State assessed	2,905	2,883	2,785
Vacant land	-	1,094,258	4,429,899
Personal property	30,580	34,440	34,487
Certified Assessed Value	\$ 34,653	\$ 1,131,581	\$ 4,467,171

MILL LEVY

General	65.664	15.000	15.591
Debt Service	0.000	50.000	51.971
Total mill levy	65.664	65.000	67.562

PROPERTY TAXES

General	\$ 2,275	\$ 16,974	\$ 69,648
Debt Service	-	56,579	232,163
Levied property taxes	2,275	73,553	301,811
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 2,275	\$ 73,553	\$ 301,811

BUDGETED PROPERTY TAXES

General	\$ 2,275	\$ 16,974	\$ 69,648
Debt Service	-	56,579	232,163
	\$ 2,275	\$ 73,553	\$ 301,811

**THREE HILLS METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (40,371)	\$ (7,942)	\$ 600
REVENUES			
Property taxes	2,275	16,974	69,648
Specific ownership taxes	156	1,218	4,875
Developer advance	80,376	54,421	-
Total revenues	<u>82,807</u>	<u>72,613</u>	<u>74,523</u>
Total funds available	<u>42,436</u>	<u>64,671</u>	<u>75,123</u>
EXPENDITURES			
General and administrative			
Accounting	18,251	26,000	30,000
Auditing	5,500	5,800	6,000
County Treasurer's fee	34	255	1,045
Dues and membership	825	328	500
Insurance	495	3,021	3,500
District management	344	-	-
Legal	21,598	25,000	25,000
Miscellaneous	300	600	-
Election	3,031	3,067	-
Contingency	-	-	3,955
Total expenditures	<u>50,378</u>	<u>64,071</u>	<u>70,000</u>
Total expenditures and transfers out requiring appropriation	<u>50,378</u>	<u>64,071</u>	<u>70,000</u>
ENDING FUND BALANCES	<u>\$ (7,942)</u>	<u>\$ 600</u>	<u>\$ 5,123</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 600</u>	<u>\$ 2,300</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 600</u>	<u>\$ 2,300</u>

No assurance provided. See summary of significant assumptions.

**THREE HILLS METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ (4,000)	\$ -
REVENUES			
Property taxes	-	56,579	232,163
Specific ownership taxes	-	4,062	16,251
Interest income	-	-	1,586
Total revenues	<u>-</u>	<u>60,641</u>	<u>250,000</u>
Total funds available	<u>-</u>	<u>56,641</u>	<u>250,000</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	-	849	3,482
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	10,518
Bond interest	-	51,792	232,000
Total expenditures	<u>4,000</u>	<u>56,641</u>	<u>250,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,000</u>	<u>56,641</u>	<u>250,000</u>
ENDING FUND BALANCES	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ -</u>

**THREE HILLS METRO DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 11,732,557	\$ 8,485,060	\$ 2,643,695
REVENUES			
System Development Fees	-	-	-
Interest income	162,282	335,646	60,305
Developer advance	2,998,448	6,167,011	6,000,000
Total revenues	<u>3,160,730</u>	<u>6,502,657</u>	<u>6,060,305</u>
Total funds available	<u>14,893,287</u>	<u>14,987,717</u>	<u>8,704,000</u>
EXPENDITURES			
Capital Projects			
Accounting	2,671	5,000	5,000
Repay developer advance	3,402,008	6,167,011	2,689,000
Engineering	5,100	5,000	10,000
Capital outlay	2,998,448	6,167,011	6,000,000
Total expenditures	<u>6,408,227</u>	<u>12,344,022</u>	<u>8,704,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,408,227</u>	<u>12,344,022</u>	<u>8,704,000</u>
ENDING FUND BALANCES	<u>\$ 8,485,060</u>	<u>\$ 2,643,695</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**Three Hills Metropolitan District
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Three Hills Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized (originally as Vineyard Townsquare Metropolitan District) by order of the District Court in Jefferson County 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 Amended Service Plan, the District is permitted to issue bond indebtedness of up to \$40,000,000. In the future, the District may issue a portion or all of the 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

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.

**Three Hills Metropolitan District
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 5.0%.

**Three Hills Metropolitan District
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

There is no debt amortization schedule provided for the Series 2021(3) Bonds (Described under Debt and Leases) as the Bonds are cash flow bonds and the timing of the payments are unknown.

Capital Outlay

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

Debt and Leases

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on December 22, 2021, in the par amount of \$12,205,000. Proceeds from the sale of the Bonds were used to (a) finance or reimburse a portion of the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the Development; and (b) pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.625% per annum and are payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledge Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of Pledged Revenue.

The Bonds are structured as "cash flow" bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Bonds compounds annually on each December 1. In the event that any amount of principal or interest on the Bonds remains unpaid on December 2, 2061, such amounts will be deemed discharged and no longer due and outstanding.

**Three Hills Metropolitan District
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, 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:

Date of Redemption

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the ad valorem property taxes derived from the imposition of the Required Mill Levy, net of any fees and collection costs of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the 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 Pledged Revenue.

Required Mill Levy

The District is required to impose an ad valorem mill levy, the Required Mill Levy, on all taxable property of the District each year in the amount of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after September 7, 2004) or such lesser mill levy which is sufficient to pay all of the principal of, premium if any, and interest on the Bonds in full.

The District has no debt, nor any capital and operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.