

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

The Board of Directors of Trails at Crowfoot Metropolitan District No. 3 (the “**Board**”), Town of Parker, Douglas County, Colorado (the “**District**”), held a regular meeting, via teleconference, on October 27, 2022, at the hour of 4:00 p.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

Public Notice

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

Trails at Crowfoot MD (wba) **
c/o White, Bear & Ankele P.C.
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

NOTICE IS HEREBY GIVEN that the Boards of Directors (collectively the "Boards") of the TRAILS AT CROWFOOT METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a meeting via teleconference on **October 27, 2022 at 4:00 P.M.**, for the purpose of conducting such business as may come before the Boards including a public hearing on the 2023 proposed budgets (the "Proposed Budgets"). The necessity may also arise for amendments to the 2022 budgets (the "Amended Budgets"). This meeting can be joined using the following teleconference information:

Join Zoom Meeting
<https://us06web.zoom.us/j/87486241643?pwd=ZFFjR01WNIJqVSzcgHpaENHQkFYQT09>
Meeting ID: 874 8624 1643
Passcode: 675716
Call-In Number: 720-707-2699

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss

NOTICE IS FURTHER GIVEN that the Proposed Budgets and Amended Budgets (if applicable) have been submitted to the Districts. A copy of the Proposed Budgets and Amended Budgets 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.

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, 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 10/20/2022, 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.

Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to final adoption of the Proposed Budgets or the Amended Budgets by the Boards. 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
BOARDS OF DIRECTORS:

TRAILS AT CROWFOOT METROPOLITAN
DISTRICT NOS. 1-3, quasi-municipal
corporations and political subdivisions of
the State of Colorado

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

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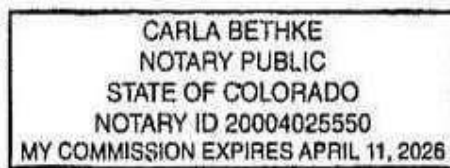
For the Douglas County News-Press

State of Colorado }
County of Arapahoe } 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 10/20/2022. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-265250

Carla Bethke
Notary Public
My commission ends April 11, 2026



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 10.062 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 57.353 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 10.062 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 Douglas 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 27, 2022.

DISTRICT:

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Sarah Hunsche*
Officer of the District

Attest:

By: *Corey Elliott*
Corey Elliott (Jan 17, 2023 12:58 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Krista B. Tompkins
General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3

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 Thursday, October 27, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17 day of January, 2023.

Corey Elliott
Corey Elliott (Jan 17, 2023 12:58 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

**TRAILS AT CROWFOOT
METROPOLITAN DISTRICT NO. 3**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 4,284,811	\$ 3,473,579	\$ 3,093,881
REVENUES			
Property Taxes	39,638	254,552	405,102
Specific Ownership Taxes	3,823	23,153	36,460
Interest Income	1,238	10,000	85,000
Town Capital and Main P-Taxes	2,958	18,995	30,232
Town Capital and Main SO Taxes	285	1,728	2,721
Infrastructure Capital P-Taxes	2,958	18,995	30,232
Infrastructure Capital SO Taxes	285	1,728	2,721
Transfer from HOA	-	235,000	715,000
Developer Advance	2,994,401	12,987,148	-
Bond Issuance	-	19,110,000	-
Other Revenue	-	20	-
Intergovernmental Revenue	681,673	843,430	1,073,350
Total revenues	<u>3,727,259</u>	<u>33,504,749</u>	<u>2,380,818</u>
TRANSFERS IN	<u>13,021</u>	<u>12,128</u>	<u>-</u>
Total funds available	<u>8,025,091</u>	<u>36,990,456</u>	<u>5,474,699</u>
EXPENDITURES			
General Fund	94,862	156,171	175,000
Special Revenue Fund	27,781	230,000	701,000
Debt Service Fund	1,429,675	1,434,000	1,437,000
Capital Projects Fund	2,986,173	32,064,276	-
Total expenditures	<u>4,538,491</u>	<u>33,884,447</u>	<u>2,313,000</u>
TRANSFERS OUT	<u>13,021</u>	<u>12,128</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,551,512</u>	<u>33,896,575</u>	<u>2,313,000</u>
ENDING FUND BALANCES	<u>\$ 3,473,579</u>	<u>\$ 3,093,881</u>	<u>\$ 3,161,699</u>
EMERGENCY RESERVE	\$ 3,200	\$ 12,500	\$ 28,500
DEBT SERVICE RESERVE	2,263,250	2,263,250	2,263,250
CAPITALIZED INTEREST/BOND FUND	1,213,768	-	-
SURPLUS FUND	-	773,046	753,935
TOTAL RESERVE	<u>\$ 3,480,218</u>	<u>\$ 3,048,796</u>	<u>\$ 3,045,685</u>

No assurance provided. See summary of significant assumptions.

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/30/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	\$ 1,690	\$ -	\$ -
Natural Resources	-	170	170
Residential - Single Family	-	74,420	1,036,520
State assessed	-	-	200
Vacant land	585,830	4,206,470	4,942,780
Personal property	-	8,690	29,410
Certified Assessed Value	\$ 587,520	\$ 4,289,750	\$ 6,009,080

MILL LEVY

General Fund	10.069	10.069	10.062
Debt Service	57.398	57.398	57.353
Town Capital and Maintenance	5.034	5.034	5.031
Infrastructure Capital	5.034	5.034	5.031
Total mill levy	77.535	77.535	77.477

PROPERTY TAXES

General Fund	\$ 5,916	\$ 43,193	\$ 60,463
Debt Service	33,722	246,223	344,639
Town Capital and Maintenance	2,958	21,595	30,232
Infrastructure Capital	2,958	21,595	30,232
Levied property taxes	45,554	332,606	465,566
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	(40,065)	-
Budgeted property taxes	\$ 45,554	\$ 292,541	\$ 465,566

BUDGETED PROPERTY TAXES

General	\$ 8,874	\$ 56,984	\$ 90,695
Debt Service	36,680	235,558	374,871
	\$ 45,554	\$ 292,542	\$ 465,566

No assurance provided. See summary of significant assumptions.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (20,134)	\$ (5,658)	\$ 50,346
REVENUES			
Property Taxes	5,916	37,989	60,463
Specific Ownership Taxes	571	3,455	5,442
Town Capital and Main P-Taxes	2,958	18,995	30,232
Town Capital and Main SO Taxes	285	1,728	2,721
Developer Advance	18,000	45,000	-
Intergovernmental Revenue	94,629	117,136	149,071
Total revenues	122,359	224,303	247,929
Total funds available	102,225	218,645	298,275
EXPENDITURES			
General and administrative			
Accounting	47,270	50,000	50,000
Audit	5,400	6,000	6,500
County Treasurer's Fee	89	574	907
Dues	1,212	1,059	2,000
Insurance	8,923	18,620	24,000
Legal	28,444	55,000	50,000
Miscellaneous	281	750	1,000
Election	-	2,868	1,500
Contingency	-	-	6,141
Operations and maintenance			
County treasurer's Fee - Town	44	287	453
Transfers to Town	3,199	21,013	32,499
Total expenditures	94,862	156,171	175,000
TRANSFERS OUT			
Transfer to other fund	13,021	12,128	-
Total expenditures and transfers out requiring appropriation	107,883	168,299	175,000
ENDING FUND BALANCE	\$ (5,658)	\$ 50,346	\$ 123,275
EMERGENCY RESERVE	\$ 3,200	\$ 5,400	\$ 7,500

No assurance provided. See summary of significant assumptions.

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
SPECIAL REVENUE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 30,000	\$ 2,219	\$ 7,239
REVENUES			
Other Revenue	-	20	-
Transfer from HOA	-	235,000	715,000
Total revenues	-	235,020	715,000
Total funds available	30,000	237,239	722,239
EXPENDITURES			
Landscape maintenance	-	75,000	273,769
Holiday Lighting	-	-	12,000
Insurance - Property	-	-	21,520
Common Area Lighting	-	-	5,000
Monuments/Signage	-	-	5,000
Pest Control	-	-	5,000
Pet Waste Services	-	-	3,500
Snow removal	-	12,000	25,000
Trails/Parks	-	-	5,000
Clubhouse/Cabana	-	-	5,000
Fire Inspection/Repairs/Materials	-	-	1,000
Keys & Locks	-	-	1,000
Pool - Chemicals	-	2,500	9,000
Pool - Contract	-	25,000	60,000
Pool - Supplies	-	-	1,000
Pool - Deck	-	-	4,000
Security	-	-	2,500
Electric	-	1,500	15,700
Water	-	40,000	110,000
Trash & Recycling	3,540	30,000	35,000
Management	24,241	44,000	85,000
Social Committee	-	-	15,000
Miscellaneous	-	-	1,011
Total expenditures	27,781	230,000	701,000
Total expenditures and transfers out requiring appropriation	27,781	230,000	701,000
ENDING FUND BALANCE	\$ 2,219	\$ 7,239	\$ 21,239
EMERGENCY RESERVE	\$ -	\$ 7,100	\$ 21,000
TOTAL RESERVE	\$ -	\$ 7,100	\$ 21,000

No assurance provided. See summary of significant assumptions.

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,278,194	\$ 3,477,018	\$ 3,036,296
REVENUES			
Property Taxes	33,722	216,563	344,639
Specific Ownership Taxes	3,252	19,698	31,018
Infrastructure Capital P-Taxes	2,958	18,995	30,232
Infrastructure Capital SO Taxes	285	1,728	2,721
Interest Income	1,238	10,000	85,000
Intergovernmental Revenue	587,044	726,294	924,279
Total revenues	628,499	993,278	1,417,889
Total funds available	4,906,693	4,470,296	4,454,185
EXPENDITURES			
General and administrative			
County Treasurer's fee	506	3,270	5,170
Infrastructure Capital County Treasurer's Fee	44	287	453
Paying agent fees	7,000	7,000	7,000
Contingency	-	1,291	2,252
Debt Service			
Bond Interest - Senior Bonds	1,422,125	1,422,152	1,422,125
Total expenditures	1,429,675	1,434,000	1,437,000
Total expenditures and transfers out requiring appropriation	1,429,675	1,434,000	1,437,000
ENDING FUND BALANCE	\$ 3,477,018	\$ 3,036,296	\$ 3,017,185
DEBT SERVICE RESERVE	\$ 2,263,250	\$ 2,263,250	\$ 2,263,250
CAPITALIZED INTEREST/BOND FUND	1,213,768	-	-
SURPLUS FUND	-	773,046	753,935
TOTAL RESERVE	\$ 3,477,018	\$ 3,036,296	\$ 3,017,185

No assurance provided. See summary of significant assumptions.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (3,249)	\$ -	\$ -
REVENUES			
Bond Issuance	-	19,110,000	-
Developer Advance	2,976,401	12,942,148	-
Total revenues	<u>2,976,401</u>	<u>32,052,148</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>13,021</u>	<u>12,128</u>	<u>-</u>
Total funds available	<u>2,986,173</u>	<u>32,064,276</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Accounting	1,372	3,900	-
Legal services	-	-	-
Cost of Issuance	-	222,520	-
Contingency	-	-	-
Capital Projects			
Engineering	8,400	8,228	-
Repay Developer Advance	-	18,887,480	-
Capital outlay	2,976,401	12,942,148	-
Total expenditures	<u>2,986,173</u>	<u>32,064,276</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,986,173</u>	<u>32,064,276</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016. The formation of the District was approved by the Town of Parker, Colorado (the Town) in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District and Trails at Crowfoot Metropolitan District Nos. 1-2 (together, the Districts) and Hess Ranch Metropolitan District Nos. 4-8. In June 2019, the District changed its name to Trails at Crowfoot Metropolitan District No. 3. The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

On November 3, 2015 and November 5, 2019, the District's authorized total indebtedness of for the District in the amount of \$2,123,287,500 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$1,022,947,500 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements. The District is authorized to increase taxes \$10,000,000 annually to pay the operations and administrative costs of the District, without limitation. The Service Plan limits (subject to adjustment) the District's operation and maintenance mill levy to 10.000 mills (as adjusted to 10.062 mills).

Additionally, the Service Plan limits (subject to adjustment) the District's debt service mill levy to 57.000 mills (as adjusted to 57.353 mills). The Service Plan also limits the imposition of the debt service mill levy to 40 years after initial year of imposition of such mill levy.

On June 17, 2019, the District entered into an intergovernmental agreements with the Town (the "Town IGA"). The Town IGA provides that the District will impose (a) the Infrastructure Capital Mill Levy (5 mills, subject to adjustment) and use the proceeds for certain regional improvements, (b) the Town Capital and Maintenance Mill Levy (5 mills, subject to adjustment) and remit the proceeds to the Town for certain Town improvements, and (c) the Operations Mill Levy (up to 10 mills subject to adjustment) and use the proceeds for the ongoing administrative and operating expenses of the District and for the maintenance of certain of the regional improvements. The Town IGA requires that the proceeds of the Infrastructure Capital Mill Levy and the Town Capital and Maintenance Mill Levy be paid by the District to the Town no later than 30 days after receipt, to be deposited by the Town in a separate fund; provided, however, that the Districts are permitted to retain revenues from the Infrastructure Capital Mill Levy to the extent needed to pay debt service on obligations repayable in whole or in part from such mill levy (which includes the Bonds).

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

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.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

The calculation of the taxes levied is displayed on the Property Tax Summary info of the Budget at the adopted total mill levy.

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 9.0% of the property taxes collected.

Intergovernmental Revenues

Pursuant to an Intergovernmental Agreement with Trails at Crowfoot Metropolitan Districts Nos. 1-2, the intergovernmental revenues represent transfers to the District to provide funding for overall administrative and operating costs, as well as debt service.

Interest Income

Interest earned on the District's available funds has been estimated based on historical earnings.

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.

TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District issued its Series 2019A Senior Bonds (the Senior Bonds) and its Series 2019B⁽³⁾ Subordinate Bonds and the 2022C Subordinate Bonds (the Subordinate Bonds) on July 30, 2019 and April 6, 2022, respectively, in the respective par amounts of \$28,830,000, \$6,275,000, and \$19,110,000. The proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the development; (ii) fund capitalized interest; (iii) fund a Senior Reserve Fund; and (iv) pay the costs of issuance of the Senior Bonds and certain costs of issuance of the Subordinate Bonds. Proceeds of the Subordinate Bonds were used to: (i) finance additional public improvements related to the development; (ii) pay certain costs of issuance of the Subordinate Bonds; and (iii) reimburse the cost of public improvements related to the development.

The Senior Bonds bear interest at rates ranging from 4.375% to 5.000% and are payable semiannually on June 1 and December 1, beginning on December 1, 2019. The Senior Bonds consist of three term bonds maturing December 1, 2030, December 1, 2039, and December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2049.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date of December 1, 2059 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 semiannually on each interest payment date (June 1 and December 1) at the rate borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Senior Bonds. If any amount of principal or interest due on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

The Subordinate Bonds were be issued at the rate of 9.000% and 4.00% per annum, respectively, and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049 and December 15, 2052, respectively. The Subordinate 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 Subordinate Bonds compounds annually on each December 15.

The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Subordinate Bonds. If any amount of principal or interest due on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on the Subordinate Bonds Termination Date of December 15, 2059, such unpaid amount shall be deemed discharged.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Senior Reserve Fund shall be funded in the amount of the Senior Required Reserve of \$2,263,250. Subject to the receipt of sufficient Pledged Revenue, the Senior Reserve Fund shall be maintained in the amount of the Senior Required Reserve for so long as any Senior Bonds are outstanding. If at any time the Senior Reserve Fund is drawn upon or valued so that the amount of the Senior Reserve Fund is less than the Senior Required Reserve, the Trustee shall apply Pledged Revenue to the credit of the Senior Reserve Fund in amounts sufficient bring the amount credited to the Senior Reserve Fund to the Senior Required Reserve. The amount credited to the Senior Reserve Fund shall never exceed the amount of the Senior Required Reserve. Moneys in the Senior Surplus Fund shall be used for payment of the Senior Bonds prior to any use of moneys in the Senior Reserve Fund.

The Senior Surplus Fund shall be funded from deposits of annual District Pledged Revenue and Pledge District Pledged Revenue in excess of that needed to pay annual debt service up to the Maximum Surplus Amount of \$2,883,000. The Senior Surplus Fund shall be maintained until the date on which no Senior Bonds remain outstanding. So long as the Senior Surplus Fund is maintained, amounts in excess of the Maximum Surplus Amount shall be remitted to the District for application to the payment of the Subordinate Bonds. Amounts on deposit in the Senior Surplus Fund (if any) in the final year of maturity of the Senior Bonds shall be pledged to the payment of the Subordinate Bonds.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3.0% of fiscal year spending.

This information is an integral part of the accompanying budget.

**TRAILS AT CROWFOOT METROPOLITAN DISTRICT NO. 3
DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$28,830,000 Limited Tax
General Obligation Bonds
Series 2019A**

**Issue date July 30, 2019
Interest from 4.375%-5.000%
Due June 1 and December 1**

Year Ending December 31,	Principal	Interest	Total
2023	\$ -	\$ 1,422,125	\$ 1,422,125
2024	245,000	1,422,125	1,667,125
2025	375,000	1,411,406	1,786,406
2026	425,000	1,395,000	1,820,000
2027	445,000	1,376,406	1,821,406
2028	500,000	1,356,938	1,856,938
2029	525,000	1,335,063	1,860,063
2030	585,000	1,312,094	1,897,094
2031	610,000	1,286,500	1,896,500
2032	675,000	1,256,000	1,931,000
2033	710,000	1,222,250	1,932,250
2034	785,000	1,186,750	1,971,750
2035	825,000	1,147,500	1,972,500
2036	905,000	1,106,250	2,011,250
2037	950,000	1,061,000	2,011,000
2038	1,040,000	1,013,500	2,053,500
2039	1,090,000	961,500	2,051,500
2040	1,185,000	907,000	2,092,000
2041	1,245,000	847,750	2,092,750
2042	1,350,000	785,500	2,135,500
2043	1,415,000	718,000	2,133,000
2044	1,530,000	647,250	2,177,250
2045	1,605,000	570,750	2,175,750
2046	1,730,000	490,500	2,220,500
2047	1,815,000	404,000	2,219,000
2048	1,950,000	313,250	2,263,250
2049	4,315,000	215,750	4,530,750
	<u>\$ 28,830,000</u>	<u>\$ 27,172,157</u>	<u>\$ 56,002,157</u>

No assurance provided. See summary of significant assumptions.