

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

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The Board of Directors of Highlands Metropolitan District No. 3 (the “**Board**”), City and County of Broomfield, Colorado (the “**District**”), held a regular meeting, via teleconference on October 11, 2023, at the hour of 9:15 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

HIGHLANDS METROPOLITAN DISTRICT NO. 3  
NOTICE CONCERNING 2023 BUDGET AMENDMENT  
AND PROPOSED 2024 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the HIGHLANDS METROPOLITAN DISTRICT NO. 3 (the "District"), will hold a meeting via Zoom on Wednesday, October 11, 2023, at 9:15 A.M., 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/82787804963?pwd=SWw1TFE3U0dDeXk0MjNwZU5QZW1WQT09  
Phone Number: (720) 707-2699  
Meeting ID: 827 8780 4963  
Passcode: 176471

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 at the District's office, 405 Urban Street, Suite 310, Lakewood, Colorado, 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.

HIGHLANDS METROPOLITAN DISTRICT NO. 3

By /s/ AJ Beckman  
District Manager

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Prairie Mountain Media, LLC

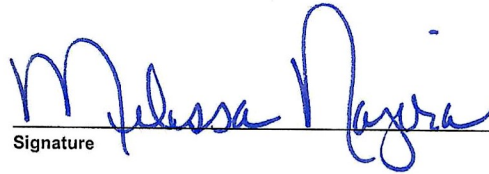
PUBLISHER'S AFFIDAVIT

County of Broomfield  
State of Colorado

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Broomfield Enterprise*.
2. The *Broomfield Enterprise* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Broomfield County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Broomfield Enterprise* in Broomfield County on the following date(s):

Sep 17, 2023

  
Signature

Subscribed and sworn to me before me this  
18<sup>th</sup> day of September 2023.

  
Notary Public

(SEAL)

SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025

Account: 1123050  
Ad Number: 2003203  
Fee: \$52.80

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 15.459 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 51.530 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 Broomfield 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 11, 2023.

**DISTRICT:**

**HIGHLANDS METROPOLITAN DISTRICT  
NO. 3**, a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: 38C0A904DAC6490  
James Spehalski  
Officer of the District

Attest:

By: DocuSigned by:  
916001296DEA4D1...  
Barry Talley

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
DocuSigned by:  
8119C68FE8A44F...  
Megan J. Murphy  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF BROOMFIELD  
HIGHLANDS 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 Wednesday, October 11, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13 day of October, 2023.

DocuSigned by:  
916001296DEA4D1...  
Barry Talley  
Signature

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

**HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**2024**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2024 budget for Highlands Metropolitan District No. 3.

The Highlands Metropolitan District No. 3 has adopted a budget for three funds, a General Fund to provide for the payment of general operating expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation bonds; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary source of revenue for the district in 2024 will be developer advances and tax revenue. The district intends to impose a 66.989 mill levy on the property within the district for 2024, of which 15.459 mills will be dedicated to the General Fund and the balance of 50.000 mills will be dedicated to the Debt Service Fund.



**Highlands Metropolitan District No.3**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2024**

|                          | Actual<br><u>2022</u> | Adopted<br>Budget<br><u>2023</u> | Actual<br><u>6/30/2023</u> | Estimate<br><u>2023</u> | Adopted<br>Budget<br><u>2024</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance   | \$ 369                | -                                | \$ -                       | \$ -                    | -                                |
| Revenues:                |                       |                                  |                            |                         |                                  |
| Property taxes           | 13                    | 184                              | 184                        | 184                     | 555                              |
| TIF                      | 480                   | 12,602                           | 12,602                     | 12,602                  | 42,383                           |
| Specific ownership taxes | 25                    | 4                                | 323                        | 160                     | 4                                |
| Developer advances       | 47,868                | 37,210                           | 23,621                     | 67,053                  | 80,698                           |
| Interest income          | -                     | -                                | 120                        | 1                       | -                                |
| Total revenues           | <u>48,386</u>         | <u>50,000</u>                    | <u>36,850</u>              | <u>80,000</u>           | <u>123,640</u>                   |
| Total funds available    | <u>48,755</u>         | <u>50,000</u>                    | <u>36,850</u>              | <u>80,000</u>           | <u>123,640</u>                   |
| Expenditures:            |                       |                                  |                            |                         |                                  |
| Audit                    | -                     | -                                | -                          | -                       | 6,000                            |
| Accounting and audit     | 9,684                 | 10,000                           | 4,303                      | 10,000                  | 12,000                           |
| Legal                    | 34,641                | 20,000                           | 23,089                     | 25,000                  | 25,000                           |
| Election                 | -                     | 5,000                            | 3,165                      | 2,225                   | -                                |
| Insurance & bonds        | 3,500                 | 3,000                            | 3,305                      | 3,400                   | 6,000                            |
| Miscellaneous            | 930                   | 1,500                            | 315                        | 500                     | 500                              |
| Management               | -                     | -                                | 2,671                      | 4,500                   | 8,500                            |
| Maintenance and repairs  | -                     | -                                | -                          | -                       | 30,000                           |
| Snow removal             | -                     | -                                | -                          | 34,372                  | 20,000                           |
| Treasurer's fee          | -                     | 3                                | 2                          | 3                       | 8                                |
| Contingency              | -                     | 9,312                            | -                          | -                       | 12,392                           |
| Emergency reserve (3%)   | -                     | 1,185                            | -                          | -                       | 3,240                            |
| Total expenditures       | <u>48,755</u>         | <u>50,000</u>                    | <u>36,850</u>              | <u>80,000</u>           | <u>123,640</u>                   |
| Ending fund balance      | <u>\$ -</u>           | <u>-</u>                         | <u>\$ -</u>                | <u>\$ -</u>             | <u>-</u>                         |
| Current Year Total       |                       | 865,220                          |                            |                         | 2,819,290                        |
| Current year TIF         |                       | 852,944                          |                            |                         | 2,783,409                        |
| Assessed valuation       |                       | <u>12,276</u>                    |                            |                         | <u>35,881</u>                    |
| Mill Levy                |                       | <u>15.000</u>                    |                            |                         | <u>15.459</u>                    |

**Highlands Metropolitan District No.3  
Adopted Budget  
Capital Projects Fund  
For the Year ended December 31, 2024**

|                          | Actual<br><u>2022</u> | Adopted<br>Budget<br><u>2023</u> | Actual<br><u>6/30/2023</u> | Estimate<br><u>2023</u> | Adopted<br>Budget<br><u>2024</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance   | \$ -                  | 773,967                          | \$ 4                       | \$ 4                    | 4                                |
| Revenues:                |                       |                                  |                            |                         |                                  |
| Developer advances       | 5,633,196             | -                                | -                          | 3,000,000               | 500,000                          |
| Interest income          | 8,198                 | -                                | -                          | -                       | -                                |
| Bond proceeds            | <u>5,975,000</u>      | <u>-</u>                         | <u>-</u>                   | <u>-</u>                | <u>-</u>                         |
| Total revenues           | <u>11,616,394</u>     | <u>-</u>                         | <u>-</u>                   | <u>3,000,000</u>        | <u>500,000</u>                   |
| Total funds available    | <u>11,616,394</u>     | <u>773,967</u>                   | <u>4</u>                   | <u>3,000,004</u>        | <u>500,004</u>                   |
| Expenditures:            |                       |                                  |                            |                         |                                  |
| Issuance costs           | 426,715               | -                                | -                          | -                       | -                                |
| Capital expenditures     | 5,816,245             | 773,967                          | -                          | 3,000,000               | 500,000                          |
| Repay developer advances | <u>5,373,430</u>      | <u>-</u>                         | <u>-</u>                   | <u>-</u>                | <u>-</u>                         |
| Total expenditures       | <u>11,616,390</u>     | <u>773,967</u>                   | <u>-</u>                   | <u>3,000,000</u>        | <u>500,000</u>                   |
| Ending fund balance      | <u>\$ 4</u>           | <u>-</u>                         | <u>\$ 4</u>                | <u>\$ 4</u>             | <u>4</u>                         |

**Highlands Metropolitan District No.3  
Adopted Budget  
Debt Service Fund  
For the Year ended December 31, 2024**

|                          | Actual<br><u>2022</u> | Adopted<br>Budget<br><u>2023</u> | Actual<br><u>6/30/2023</u> | Estimate<br><u>2023</u> | Adopted<br>Budget<br><u>2024</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance   | \$ -                  | -                                | \$ -                       | \$ -                    | -                                |
| Revenues:                |                       |                                  |                            |                         |                                  |
| Property taxes           | -                     | 614                              | 614                        | 614                     | 1,849                            |
| TIF                      | -                     | 42,007                           | 42,007                     | 42,007                  | 141,278                          |
| Specific ownership taxes | -                     | 4                                | 1,077                      | 2,000                   | 4                                |
|                          | <u>-</u>              | <u>42,625</u>                    | <u>43,698</u>              | <u>44,621</u>           | <u>143,131</u>                   |
| Total revenues           | -                     | 42,625                           | 43,698                     | 44,621                  | 143,131                          |
| Total funds available    | <u>-</u>              | <u>42,625</u>                    | <u>43,698</u>              | <u>44,621</u>           | <u>143,131</u>                   |
| Expenditures:            |                       |                                  |                            |                         |                                  |
| Trustee fee              | -                     | 3,500                            | 3,500                      | 3,500                   | 3,500                            |
| Treasurer's fees         | -                     | 9                                | 9                          | 9                       | 28                               |
| Bond interest            | -                     | 39,116                           | -                          | 41,112                  | 139,339                          |
|                          | <u>-</u>              | <u>39,116</u>                    | <u>-</u>                   | <u>41,112</u>           | <u>139,339</u>                   |
| Total expenditures       | -                     | 42,625                           | 3,509                      | 44,621                  | 142,867                          |
| Ending fund balance      | <u>\$ -</u>           | <u>-</u>                         | <u>\$ 40,189</u>           | <u>\$ -</u>             | <u>264</u>                       |
| Current Year Total       |                       | 865,220                          |                            |                         | 2,819,290                        |
| Current year TIF         |                       | <u>852,944</u>                   |                            |                         | <u>2,783,409</u>                 |
| Assessed valuation       |                       | 12,276                           |                            |                         | 35,881                           |
| Mill Levy                |                       | <u>50.000</u>                    |                            |                         | <u>51.530</u>                    |