

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING
MILL LEVIES FOR THE CALENDAR YEAR 2025

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 9, 2024, at the hour of 9:30 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 2025 BUDGET

HIGHLANDS METROPOLITAN DISTRICT NO. 3
NOTICE CONCERNING 2024 BUDGET AMENDMENT
AND PROPOSED 2025 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 9, 2024, at 9:30 A.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2025 proposed Budget (the "Proposed Budget"). The necessity may also arise for an Amendment to the 2024 Budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

<https://zoom.us/j/7848826891>
Phone Number: (719) 359-4580
Meeting ID: 784 882 6891
Passcode: 0000

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/ Ann Finn
District Manager

Published: Broomfield Enterprise September 22, 2024-2075598

Prairie Mountain Media, LLC

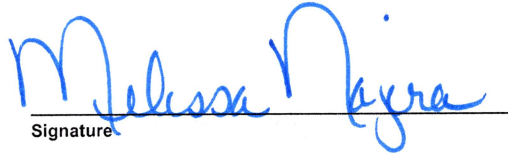
PUBLISHER'S AFFIDAVIT

County of Broomfield
State of Colorado

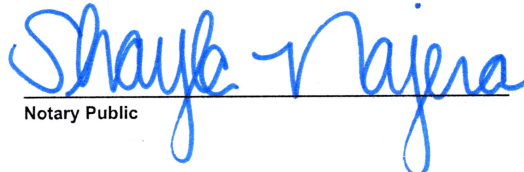
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

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 22, 2024


Signature

Subscribed and sworn to me before me this
12th day of November, 2024.


Notary Public

(SEAL)

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

Account: 1123050
Ad Number: 2075598
Fee: \$49.72

WHEREAS, the Board has appointed 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 available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final 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 2025. 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 of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. 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 4. 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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 7. 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 9, 2024.

DISTRICT:

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

By: 38C0A904DAC6490
James Spehalski

DocuSigned By: James Spehalski
Officer of the District

Attest:

By: DocuSigned by:

Barry Talley

916001296DEA4D1...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
Signed by:

Megan J. Murphy

916001296DEA4D1...
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 9, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of October, 2024.

DocuSigned by:

Barry Talley

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Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025
BUDGET MESSAGE

Attached please find a copy of the adopted 2025 budget for the Highlands Metropolitan District No. 3.

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

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 sources of revenue for the district in 2025 will be developer advances and property tax revenue from the imposition of a 66.989 mill levy on property within the district for 2025, of which 15.459 mills will be dedicated to the General Fund and the balance of 51.530 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No.3
Adopted Budget
General Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual 6/30/2024	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ -	-	\$ -	-	<u>1,679,009</u>
Revenues:					
Property taxes	184	555	555	555	1,239
TIF	12,602	42,383	42,384	42,384	117,811
Specific ownership taxes	668	4	323	600	4
Developer advances	59,985	80,698	23,621	23,621	-
Operations funding	-	-	-	1,720,022	-
Interest income	<u>666</u>	<u>-</u>	<u>120</u>	<u>250</u>	<u>68,800</u>
Total revenues	<u>74,105</u>	<u>123,640</u>	<u>67,003</u>	<u>1,787,432</u>	<u>187,854</u>
Total funds available	<u>74,105</u>	<u>123,640</u>	<u>67,003</u>	<u>1,787,432</u>	<u>1,866,863</u>
Expenditures:					
Audit	-	6,000	5,300	5,300	6,000
Accounting and audit	15,087	12,000	4,697	12,000	14,000
Legal	39,662	25,000	15,274	30,000	30,000
Election	3,204	-	68	100	6,000
Insurance & bonds	3,832	6,000	7,570	7,700	8,500
Miscellaneous	883	500	690	1,000	1,000
Locates	-	-	-	-	5,000
Management	11,434	8,500	8,653	10,000	30,000
Utilities	-	-	56	200	500
Website	-	-	600	2,000	2,000
Maintenance and repairs	-	30,000	172	5,000	30,000
Snow removal	-	20,000	2,003	10,000	20,000
Landscaping	-	-	15,772	25,000	40,000
Planning and Engineering	-	-	-	-	5,000
Treasurer's fee	3	8	123	123	19
Reserve	-	-	-	-	1,500,000
Contingency	-	12,392	-	-	162,903
Emergency reserve (3%)	<u>-</u>	<u>3,240</u>	<u>-</u>	<u>-</u>	<u>5,941</u>
Total expenditures	<u>74,105</u>	<u>123,640</u>	<u>60,978</u>	<u>108,423</u>	<u>1,866,863</u>
Ending fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ 6,025</u>	<u>\$ 1,679,009</u>	<u>-</u>
Current Year Total		2,819,290			7,817,000
Current year TIF		<u>2,783,409</u>			<u>7,736,904</u>
Assessed valuation		<u>35,881</u>			<u>80,096</u>
Mill Levy		<u>15.459</u>			<u>15.459</u>

Highlands Metropolitan District No.3
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 4	4	\$ 8	\$ 8	8
Revenues:					
Developer advances	2,812,513	500,000	-	-	500,000
Interest income	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,812,516</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total funds available	<u>2,812,520</u>	<u>500,004</u>	<u>8</u>	<u>8</u>	<u>500,008</u>
Expenditures:					
Capital expenditures	<u>2,812,512</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total expenditures	<u>2,812,512</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Ending fund balance	<u>\$ 8</u>	<u>4</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>8</u>

Highlands Metropolitan District No.3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ -	-	\$ 21,909	\$ 21,909	-
Revenues:					
Property taxes	614	1,849	2,015	2,015	4,127
TIF	42,007	141,278	141,281	141,281	392,703
Specific ownership taxes	2,225	4	2,951	6,000	4
Interest income	<u>464</u>	<u>-</u>	<u>76</u>	<u>100</u>	<u>-</u>
Total revenues	<u>45,310</u>	<u>143,131</u>	<u>146,323</u>	<u>149,396</u>	<u>396,834</u>
Total funds available	<u>45,310</u>	<u>143,131</u>	<u>168,232</u>	<u>171,305</u>	<u>396,834</u>
Expenditures:					
Trustee fee	3,500	3,500	3,500	3,500	3,500
Treasurer's fees	9	28	410	410	62
Bond interest	<u>19,892</u>	<u>139,339</u>	<u>-</u>	<u>167,395</u>	<u>393,272</u>
Total expenditures	<u>23,401</u>	<u>142,867</u>	<u>3,910</u>	<u>171,305</u>	<u>396,834</u>
Ending fund balance	<u>\$ 21,909</u>	<u>264</u>	<u>\$ 164,322</u>	<u>\$ -</u>	<u>-</u>
Current Year Total		2,819,290			7,817,000
Current year TIF		<u>2,783,409</u>			<u>7,736,904</u>
Assessed valuation		35,881			80,096
Mill Levy		<u>51.530</u>			<u>51.530</u>