

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

The Board of Directors of The Gardens on Havana Metropolitan District No. 3 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 16, 2022, at the hour of 9:00 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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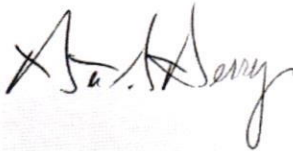
NOTICE AS TO PROPOSED 2023 BUDGET

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID L. PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 3 A.D. 2022 and that the last publication of said notice was in the issue of said newspaper dated November 3 A.D. 2022.

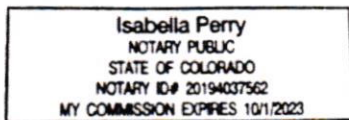
I witness whereof I have hereunto set my hand this 3rd day of November A.D. 2022.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 3rd day of November A.D. 2022.



Notary Public



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

NOTICE IS HEREBY GIVEN that the Boards of Directors (collectively the "Boards") of THE GARDENS ON HAVANA METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a meeting via teleconference on November 16, 2022 at 9:00 A.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/88293390547?pwd=cW5PV0hTU9iVFYVpMjQ0UjJnUT09>
Meeting ID: 882 9339 0547
Passcode: 353010
Call-In Number: 1-720-707-2699

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.

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:
THE GARDENS ON HAVANA
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

Publication: November 3, 2022
Sentinel

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 0.000 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 40.754 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 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 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 Arapahoe 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 NOVEMBER 16, 2022.

DISTRICT:

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *ira shwartz*
ira shwartz (Nov 21, 2022 09:13 MST)
Officer of the District

Attest:

By: *Michael Kaiser*
Michael Kaiser (Nov 20, 2022 07:11 EST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi B. Tompland
General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
THE GARDENS ON HAVANA 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, November 16, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20 day of November, 2022.

Michael Kaiser
Michael Kaiser (Nov 20, 2022 07:11 EST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,525,981	\$ 2,879,789	\$ 2,685,758
REVENUES			
Property taxes	24,130	27,785	24,419
Specific ownership taxes	10,085	10,614	10,182
Interest income	2,178	29,979	67,800
PIF revenue	637,055	640,000	650,000
Property tax increment	1,871,214	1,950,000	1,970,000
Sales tax increment	692,115	748,000	755,000
Transfer from District No. 2	140,394	142,596	139,413
Total revenues	<u>3,377,171</u>	<u>3,548,974</u>	<u>3,616,814</u>
Total funds available	<u>5,903,152</u>	<u>6,428,763</u>	<u>6,302,572</u>
EXPENDITURES			
Debt Service Fund	3,023,363	3,743,005	3,681,602
Total expenditures	<u>3,023,363</u>	<u>3,743,005</u>	<u>3,681,602</u>
Total expenditures and transfers out requiring appropriation	<u>3,023,363</u>	<u>3,743,005</u>	<u>3,681,602</u>
ENDING FUND BALANCES	<u>\$ 2,879,789</u>	<u>\$ 2,685,758</u>	<u>\$ 2,620,970</u>
SURPLUS FUND	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>
TOTAL RESERVE	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>

No assurance provided. See summary of significant assumptions.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 3,570,713	\$ 4,219,930	\$ -
Residential Multi-Family	-	-	4,013,360
State assessed	340	340	700
Vacant land	145	145	145
Personal property	184,325	182,104	149,983
	<u>3,755,523</u>	<u>4,402,519</u>	<u>4,164,188</u>
Adjustments	(3,216,527)	(3,770,846)	(3,565,019)
Certified Assessed Value	<u>\$ 538,996</u>	<u>\$ 631,673</u>	<u>\$ 599,169</u>
MILL LEVY			
Debt Service	38.965	38.965	40.754
Total mill levy	<u>38.965</u>	<u>38.965</u>	<u>40.754</u>
PROPERTY TAXES			
Debt Service	\$ 21,002	\$ 24,621	\$ 24,419
Levied property taxes	21,002	24,621	24,419
Adjustments to actual/rounding	3,128	3,164	-
Budgeted property taxes	<u>\$ 24,130</u>	<u>\$ 27,785</u>	<u>\$ 24,419</u>
BUDGETED PROPERTY TAXES			
Debt Service	<u>\$ 24,130</u>	<u>\$ 27,785</u>	<u>\$ 24,419</u>
	<u>\$ 24,130</u>	<u>\$ 27,785</u>	<u>\$ 24,419</u>

No assurance provided. See summary of significant assumptions.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 100	\$ 100	\$ 100
REVENUES			
Total revenues	-	-	-
Total funds available	100	100	100
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ 100	\$ 100	\$ 100

No assurance provided. See summary of significant assumptions.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 2,525,881	\$ 2,879,689	\$ 2,685,658
REVENUES			
Property taxes	24,130	27,785	24,419
Specific ownership taxes	10,085	10,614	10,182
Interest income	2,178	29,979	67,800
PIF revenue	637,055	640,000	650,000
Property tax increment	1,871,214	1,950,000	1,970,000
Sales tax increment	692,115	748,000	755,000
Transfer from District No. 2	140,394	142,596	139,413
Total revenues	<u>3,377,171</u>	<u>3,548,974</u>	<u>3,616,814</u>
Total funds available	<u>5,903,052</u>	<u>6,428,663</u>	<u>6,302,472</u>
EXPENDITURES			
General and administrative			
Miscellaneous	-	-	500
Transfer to District No.1	105,101	75,000	75,750
Treasurer's fees	364	500	361
Debt Service			
Bond interest - Series 2017A	833,238	769,256	681,381
Bond principal - Series 2017A	1,765,000	1,900,000	1,995,000
Bond interest - Series 2017B	314,160	992,749	773,110
Bond principal - Series 2017B	-	-	150,000
Paying agent fees	5,500	5,500	5,500
Total expenditures	<u>3,023,363</u>	<u>3,743,005</u>	<u>3,681,602</u>
Total expenditures and transfers out requiring appropriation	<u>3,023,363</u>	<u>3,743,005</u>	<u>3,681,602</u>
ENDING FUND BALANCE	<u>\$ 2,879,689</u>	<u>\$ 2,685,658</u>	<u>\$ 2,620,870</u>
SURPLUS FUND	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>
TOTAL RESERVE	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>	<u>\$ 2,389,500</u>

No assurance provided. See summary of significant assumptions.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court on May 27, 2008, by the City of Aurora, Colorado and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with other related districts, the Gardens on Havana Metropolitan District No. 1 (District No. 1) and the Gardens on Havana Metropolitan District No. 2 (District No. 2). Under the respective Service Plans, District No. 1 is to be the Operating District and District Nos. 2 and 3 are to be the Financing Districts. The District operates under a Service Plan approved by the City of Aurora on May 28, 2008. The District's service area is located in Arapahoe County, Colorado entirely within the City of Aurora.

On May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$450,000,000. Pursuant to the Service Plan, the District cannot issue debt in excess of \$75,000,000. Additionally, the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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.

Revenues

Aurora Urban Renewal Authority (AURA) Revenues

The District, the Developer and the Aurora Urban Renewal Authority (AURA) have entered into an agreement in which AURA will remit TIF Revenues (Pledged Property Tax Revenues, Pledged Sales Tax Revenues and Pledged Use Tax Revenues) to the District to be used for the payment of principal and interest on the bonds issued by the District for the construction of public improvements.

Public Improvement Fees (PIF)

The District collects a public improvement fee (PIF) from existing retailers within Districts in the amount of one-half percent on the purchase price of each transaction involving the sale of goods or services.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.40% from 29.00%. Producing oil and gas remains at 87.50%. All other nonresidential property stays at 29.00%.

The calculation of taxes levied is displayed on the Property Tax Summary Information page of the budget at the estimated mill levies for each project area.

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 6.00% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Intergovernmental Expenditure – No. 1

Pursuant to the Capital Pledge Agreement entered with District No. 1 and District No. 2, the mill levy imposed upon all taxable property of the Districts shall be of an amount which, when combined with other revenues of District No. 1, be sufficient to pay the annual costs of District No. 1's old loan. The agreement was amended and restated with the issuance of the District's 2017 Bonds. District No. 2 anticipates transferring all tax revenue to the District. The District will transfer \$75,750 to District No. 1 for operations during 2023.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On April 7, 2017, District No. 3 issued the 2017A Bonds and the 2017B Bonds in the respective amounts of \$23,895,000 and \$3,404,000. Proceeds from the sale of the Bonds were used for the purposes of: (a) paying the costs of refunding the Refunded Notes; (b) funding repayment of advances from the Developer; and (c) paying other costs in connection with the issuance of the 2017A Bonds and refunding the Refunded Notes (including accrued unpaid interest on such Refunded Notes).

The 2017A Bonds bear interest at rates ranging from 3.625% to 5.25%, payable semi-annually on June 1 and December 1, beginning on June 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2017. The 2017A Bonds mature on December 1, 2047.

The 2017A Bonds are further secured by amounts accumulated in the Surplus Fund. Senior Pledged Revenue that is not needed to pay debt service on the 2017A Bonds in any year will be deposited to and held in the Surplus Fund, up to the applicable Maximum Surplus Amount. Initially and until December 2, 2024, the Maximum Surplus Amount will be \$2,389,500. The Maximum Surplus Amount reduces to \$1,000,000 on December 2, 2024, and to \$500,000 on December 2, 2034.

The 2017B Bonds bear interest at 7.75% payable annually on December 15, beginning on December 15, 2017, but only to the extent of available Subordinate Pledged Revenue. The 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2017B Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2017B Bonds remain outstanding on December 15, 2057, such amounts shall be extinguished and no longer be due and outstanding.

Subordinate Bonds balances are estimated as follows as of December 31, 2022:

	Balance December 31, 2021	Additions	Retirements	Est. Balance December 31, 2022
Series 2017B Subordinate Bonds				
Principal	\$ 3,404,000	\$ -	\$ -	\$ 3,404,000
Interest	1,130,747	348,023	992,749	486,021
	\$ 4,534,747	\$ 348,023	\$ 992,749	\$ 3,890,021

Reserve

Emergency Reserve

District No. 1 has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for District Nos. 2 and 3 as defined under TABOR.

This information is an integral part of the accompanying budget.

**THE GARDENS ON HAVANA METROPOLITAN DISCTRICK NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$23,895,000 Senior Bonds, Series 2017A

Dated April 7, 2017

Interest Rate 3.625% - 5.250%

Interest Payable June 1 and December 1

Principal Payable December 1

Year Ended December 31,	Principal	Interest	Total
2023	\$ 1,995,000	\$ 681,381	\$ 2,676,381
2024	1,540,000	589,113	2,129,113
2025	610,000	517,888	1,127,888
2026	655,000	489,675	1,144,675
2027	695,000	459,381	1,154,381
2028	745,000	427,238	1,172,238
2029	655,000	389,056	1,044,056
2030	705,000	355,488	1,060,488
2031	745,000	319,356	1,064,356
2032	805,000	281,175	1,086,175
2033	185,000	239,919	424,919
2034	195,000	230,438	425,438
2035	210,000	220,444	430,444
2036	225,000	209,681	434,681
2037	240,000	198,150	438,150
2038	260,000	185,850	445,850
2039	275,000	172,200	447,200
2040	295,000	157,763	452,763
2041	315,000	142,275	457,275
2042	340,000	125,738	465,738
2043	360,000	107,888	467,888
2044	385,000	88,988	473,988
2045	410,000	68,775	478,775
2046	435,000	47,250	482,250
2047	465,000	24,413	489,413
	<u>\$ 13,745,000</u>	<u>\$ 6,729,523</u>	<u>\$ 20,474,523</u>

No assurance provided. See summary of significant assumptions.