

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

The Board of Directors of The Gardens on Havana Metropolitan District No. 2 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 15, 2023, 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 2024 BUDGET

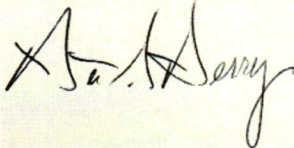
SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

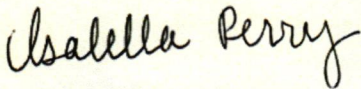
I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver 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 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023.

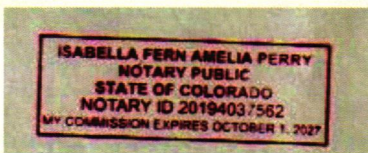
I witness whereof I have hereunto set my hand this 9th day of November A.D. 2023.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 9th day of November A.D. 2023.



Notary Public



**NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2024 BUDGETS
AND NOTICE OF PUBLIC HEARING
ON THE AMENDED 2023 BUDGETS**

The Boards of Directors (collectively the "Boards") of THE GARDENS ON HAVANA METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a public hearing via teleconference on November 15, 2023 at 9:00 a.m., to consider adoption of the Districts' proposed 2024 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2023 budgets (the "Amended Budgets"). This public hearing may be joined using the following teleconference information:
<https://us06web.zoom.us/j/84135879222?pwd=MFhUQWw2V040TWQ2cWVs1TkNFSz09>

Meeting ID: 841 3587 9222
Passcode: 723731
Call-in Number: +1-720-707-2699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

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

The agenda for any meeting may be obtained at <https://thegardensonhavanametrodistrict.com/> or 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 9, 2023
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 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 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 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 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 26.132 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 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 15, 2023.

DISTRICT:

GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *ira shwartz*
ira shwartz (Nov 17, 2023 08:36 MST)
Officer of the District

Attest:

By: *[Signature]*
Jack Krom (Nov 16, 2023 14:12 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi B. Tompkins
General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2

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 15, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16 day of November, 2023.

[Signature]
Jack Krom (Nov 16, 2023 14:12 MST)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 100	\$ 100	\$ 100
REVENUES			
Property taxes	101,990	101,675	114,043
Specific ownership taxes	42,094	39,213	44,020
Interest income	2	-	50
Other revenue	-	-	1,000
Total revenues	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
Total funds available	<u>144,186</u>	<u>140,988</u>	<u>159,213</u>
EXPENDITURES			
Debt service	144,086	140,888	159,113
Total expenditures	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
Total expenditures and transfers out requiring appropriation	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
ENDING FUND BALANCES	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
AVAILABLE FOR OPERATIONS	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

No Assurance Provided. See Summary of Significant Assumptions.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Commercial	\$ 18,711,375	\$ 19,323,032	\$ 20,754,731
State assessed	190	590	600
Vacant land	413,030	145	140
Personal property	6,292,314	6,119,025	7,319,673
	<u>25,416,909</u>	<u>25,442,792</u>	<u>28,075,144</u>
Adjustments	(21,320,885)	(21,484,575)	(23,711,050)
Certified Assessed Value	<u>\$ 4,096,024</u>	<u>\$ 3,958,217</u>	<u>\$ 4,364,094</u>
MILL LEVY			
Debt Service	25.000	25.000	26.132
Refund and abatements	0.000	0.687	0.000
Total mill levy	<u>25.000</u>	<u>25.687</u>	<u>26.132</u>
PROPERTY TAXES			
Debt Service	\$ 102,401	\$ 101,675	\$ 114,043
Levied property taxes	102,401	101,675	114,043
Adjustments to actual/rounding	(411)	-	-
Budgeted property taxes	<u>\$ 101,990</u>	<u>\$ 101,675</u>	<u>\$ 114,043</u>
BUDGETED PROPERTY TAXES			
Debt Service	<u>\$ 101,990</u>	<u>\$ 101,675</u>	<u>\$ 114,043</u>
	<u>\$ 101,990</u>	<u>\$ 101,675</u>	<u>\$ 114,043</u>

No Assurance Provided. See Summary of Significant Assumptions.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 100	\$ 100	\$ 100
REVENUES			
Total revenues	-	-	-
Total funds available	100	100	100
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ 100	\$ 100	\$ 100

No Assurance Provided. See Summary of Significant Assumptions.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	101,990	101,675	114,043
Specific ownership taxes	42,094	39,213	44,020
Interest income	2	-	50
Other revenue	-	-	1,000
Total revenues	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
Total funds available	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
EXPENDITURES			
County Treasurer's fee	1,560	1,525	1,711
Contingency	-	-	1,050
Transfers to District No. 3	142,526	139,363	156,352
Total expenditures	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
Total expenditures and transfers out requiring appropriation	<u>144,086</u>	<u>140,888</u>	<u>159,113</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No Assurance Provided. See Summary of Significant Assumptions.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
2024 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 and the Gardens on Havana Metropolitan District No. 3. 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

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 Information page of the budget.

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 2
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%		

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.

Transfer to District No. 3

Pursuant to an intergovernmental agreement, the District anticipates transferring to District No. 3 net tax revenues generated from its debt service mill levy to pay for bonds issued by District No. 3 in 2017.

Debt and Leases

The District has neither outstanding debt nor any operating or capital leases.

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.