

WILDGRASS METROPOLITAN DISTRICT (the “District”)
General Information and Disclosure

The purpose of this article is to provide homeowners with general information regarding the District and its operations.

ORGANIZATION OF THE DISTRICT

The Wildgrass Metropolitan District (“District”) was formed in 2003. The District was created to provide design, acquisition, construction, installation and financing of certain water, sanitation, street, storm improvements to an area where the existing governmental entities did not consider it feasible or practical to provide such improvements. The property within the Wildgrass residential development is located within the boundaries of the District. The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized in the City and County of Broomfield (“Broomfield”). The District operates pursuant to a Service Plan, which was approved by Broomfield on September 9, 2003 (“Service Plan”).

DISTRICT BOARD OF DIRECTORS

The District is governed by a five-member Board of Directors. Board members are elected by the property owners within the District and are elected to staggered four-year terms of office. Prospective Board Members may also be appointed by the Board of Directors at any time, should a vacancy occur.

To qualify to serve on the Board of Directors you must be registered to vote in the State of Colorado and have been a resident of the District for not less than 30 days or own, or be the spouse or civil union partner of an owner of, taxable real or personal property within the District. Board members may receive a stipend for each meeting attended.

The Board’s regular meeting dates, as well as a copy of the District’s Service Plan may be obtained from the District Manager, Public Alliance, LLC at: 13131 W. Alameda Parkway, Suite 200, Lakewood, CO 80228; (720) 213-6621, or by visiting the District’s website at: <https://wildgrassmetro.org>

DISTRICT POWERS, IMPROVEMENTS AND SERVICES

The District was formed to provide for the acquisition, construction, completion of installation of water transmission and distribution; street improvements, a system of traffic and safety controls, local water transmission and distribution, storm and sewer system improvements and parks and recreation facilities, as defined in the Service Plan.

While the District has the authority and power to maintain the parks and recreational facilities and streetscaping improvements, they are presently maintained by the Homeowners’ Association (the “HOA”). Broomfield owns, operates and maintains the public streets, water and sewer improvements.

Under the Service Plan, the District had authority to issue general obligation bonds in the aggregate amount of Ten Million Three Hundred Eighty Five Thousand Dollars (\$10,385,000) to provide and pay for public infrastructure improvement costs.

On June 1, 2004, the District issued \$10,385,000 of General Obligation Variable Rate Bonds Series 2004. The Series 2004 Bonds bore interest at various rates until March 1, 2007. The bonds were refunded on March 1, 2007.

On March 1, 2007, the District issued \$10,210,000 in General Obligation (Limited Tax Convertible to Unlimited tax) refunding Bonds Series 2007. The proceeds from the sale of the Bonds were used for the following purposes of: 1) current refunding of the District's outstanding General Obligation Variable Rate Bonds (limited Tax Convertible to Unlimited Tax) Series 2004; 2) funding capitalized interest for payment of the interest on the Bonds and, 3) paying other costs incidental to the issuance of the Bonds. The Bonds bear interest at 6.20% payable on June 1st and December 1st commencing on June 1, 2007. The Bonds are subject to mandatory redemption commencing on December 1, 2011. Bonds maturing on or after December 1, 2011 are not subject to a redemption premium.

The Series 2007 bonds are secured by and payable from ad valorem property taxes imposed by the District on all taxable property located within the District, together with any rates, fees, tolls, and charges imposed by the District.

On June 8, 2004, the developer, Standard Pacific of Colorado, Inc., assigned to the District all payments to be received under a reimbursement agreement with Broomfield. As of August 1, 2011, the District has received \$2,292,021 from Broomfield which is the full amount to be received under this agreement ("Reimbursement Proceeds").

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

Ad Valorem Property Taxes. In addition to the Reimbursement Proceeds, the District's primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. The maximum debt service mill levy the District is allowed to impose under the Service Plan is 50 mills, subject to adjustment ("Mill Levy Cap"), until the principal amount of the District's outstanding general obligation bonds is 50% or less than the assessed valuation of taxable property in the District. When that threshold is met, the debt service mill levy cap is no longer applicable, at which time the mill levy may be increased or decreased at the discretion of the Board of Directors of the District.

The mill levy may also be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below.

Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy/Rate¹ (M)	Amount of District Tax Due [AV x M]
(a) 2023	\$500,000	6.675%	\$34,750	33.000/1000	\$1,113.75

(b) 2024	\$500,000	6.50%	\$32,500	34.269/1000	\$1,113.75
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¹ Each mill is equal to 1/1000th of a dollar

(a) If in 2023 the Actual Value of the Property is \$500,000, and the Assessment Ratio established by the State Legislature for that year is 6.675%, the Assessed Value of the Property is \$34,750 (i.e., \$500,000 x 6.675% = \$34,750). The District certifies a 33.000 mill levy, which would generate approximately \$1.1143/75 in revenue.

(b) If in 2024 the Actual Value of the Property remains at \$500,000, but the Assessment Ratio established by the State Legislature for that year is 6.50%, the Assessed Value would be \$32,500 (i.e., \$500,000 x 6.50% = \$32,500). The District would need to certify a 34.269 mill levy in order to generate the same revenue as in 2024.

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

As mentioned above, a portion of the District’s mill levy is designated for repayment of the District’s bonds, not to exceed the mill levy cap. The other portion of the District’s mill levy is designated for payment of the District’s operation and maintenance costs. Adjustments to the operating mill levy will occur as necessary to assure that revenue is available to provide adequate services to the community. For 2023, the District certified a total annual mill levy as described below (such amount may be adjusted each year, subject to the limitations set forth in the Service Plan):

Repayment of District Bonds	28 mills
Payment of District Operation and Maintenance Costs	<u>5 mills</u>
sTotal Mill Levy	33 mills

Should you have any questions with regard to these matters, please contact the District Manager at Public Alliance, LLC.; 13131 W. Alameda Parkway, Suite 200, Lakewood, CO 80228, (720) 213-6621.