

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

The Board of Directors of Wyndham Hill Metropolitan District No. 2 (the “**Board**”), Town of Frederick, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 26, 2023, at 6:00 PM.

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

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

The Board of Directors (the "Board") of the WYNDHAM HILL METROPOLITAN DISTRICT NO. 2 (the "District"), will hold a public hearing via teleconference on October 26, 2023, at 6:00 PM, to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:
Join Zoom Meeting
<https://us06web.zoom.us/j/81759244359?pwd=IY1YtQlBqSgK2PvJAsRa9iX4bpYIbj.1>
Meeting ID: 817 5924 4359
Passcode: 650930
Call In Numbers: 1(720) 707-2699 or 1(719) 359-4580

The Proposed Budget and Amended Budget 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 District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.
The agenda for any meeting may be obtained at <https://www.wyndhamhillmetrodistricts.org/> or by calling (303) 858-1800.
BY ORDER OF THE BOARD OF DIRECTORS:
WYNDHAM HILL METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

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Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

**County of Boulder
State of Colorado**

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

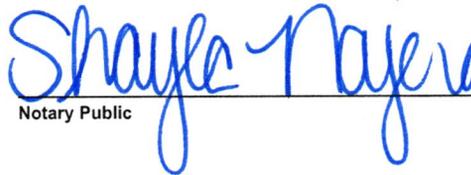
1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Longmont Times Call*.
2. The *Longmont Times Call* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets 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 *Longmont Times Call* in Boulder County on the following date(s):

Oct 13, 2023



Signature

Subscribed and sworn to me before me this
13th day of October, 2023.



Notary Public

(SEAL)

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

Account: 1051175
Ad Number: 2010089
Fee: \$33.93

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 4.918 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 59.635 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 Weld 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 26, 2023.

DISTRICT:

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: Shannon Hochstetler
Shannon Hochstetler (Dec 5, 2023 08:31 MST)
Officer of the District

Attest:

By: Jessie Brotner

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
WYNDHAM HILL 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 October 26, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of October, 2023.

Jessie Brotner

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

WYNDHAM HILL 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	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential - single family	\$ 24,975,770	\$ 26,703,140	\$ 31,356,780
Commercial	24,100	34,410	2,180
State assessed	589,890	687,390	49,250
Vacant land	944,340	397,750	652,730
Personal property	-	-	314,850
Oil & Gas	895,850	1,645,220	2,476,790
Certified Assessed Value	\$ 27,429,950	\$ 29,467,910	\$ 34,852,580

MILL LEVY

General	4.663	4.793	4.918
Debt Service	51.000	52.427	59.635
Total mill levy	55.663	57.220	64.553

PROPERTY TAXES

General	\$ 127,906	\$ 141,240	\$ 171,405
Debt Service	1,398,927	1,544,914	2,078,434
Levied property taxes	1,526,833	1,686,154	2,249,839
Adjustments to actual/rounding	(7,164)	-	-
Refunds and abatements	-	(4,228)	-
Budgeted property taxes	\$ 1,519,669	\$ 1,681,926	\$ 2,249,839

BUDGETED PROPERTY TAXES

General	\$ 127,306	\$ 140,886	\$ 171,405
Debt Service	1,392,363	1,541,040	2,078,434
	\$ 1,519,669	\$ 1,681,926	\$ 2,249,839

WYNDHAM HILL 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	\$ 265,123	\$ 195,646	\$ 149,399
REVENUES			
Property taxes	1,519,669	1,681,926	2,249,839
Specific ownership taxes	90,366	70,000	89,994
Royalties	81,115	40,000	-
Interest income	13,741	30,000	5,000
Other	7,173	1	-
Total revenues	<u>1,712,064</u>	<u>1,821,927</u>	<u>2,344,833</u>
Total funds available	<u>1,977,187</u>	<u>2,017,573</u>	<u>2,494,232</u>
EXPENDITURES			
General and administrative			
Accounting	11,032	10,000	20,000
Auditing	12,075	13,125	6,500
County Treasurer's fee	22,910	25,236	33,748
Dues and membership	-	1,150	1,500
Insurance	3,052	3,177	5,000
Legal	9,489	14,000	15,000
Miscellaneous	2,386	2,500	5,000
Debt Service			
Paying agent fees	7,000	7,000	7,000
Series 2020A Bond Principal	270,000	280,000	315,000
Series 2020A Bond Interest	754,019	740,519	726,519
Series 2018B Bond Interest	250,000	200,000	450,000
Series 2020B Bond Interest	439,578	571,467	650,000
Total expenditures	<u>1,781,541</u>	<u>1,868,174</u>	<u>2,235,267</u>
Total expenditures and transfers out requiring appropriation	<u>1,781,541</u>	<u>1,868,174</u>	<u>2,235,267</u>
ENDING FUND BALANCES	<u>\$ 195,646</u>	<u>\$ 149,399</u>	<u>\$ 258,965</u>
EMERGENCY RESERVE	\$ 51,200	\$ 54,700	\$ 70,400
AVAILABLE FOR OPERATIONS	144,446	94,699	188,565
TOTAL RESERVE	<u>\$ 195,646</u>	<u>\$ 149,399</u>	<u>\$ 258,965</u>

No assurance provided. See summary of significant assumptions.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

In accordance with its Service Plan, Wyndham Hill Metropolitan District No. 2 (the "District"), was formed to provide funding, financing and tax base to for the cost of public improvements necessary to provide access to and appropriate services within the property known as "Wyndham Hill", located in Frederick, Colorado. Public improvements include, but are not limited to, storm drainage, water, utilities, streets, traffic and safety and parks and recreation improvements.

The Service Plan, as amended in 2005, 2006, 2008 and 2020, provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the Wyndham Hill Metropolitan District Nos. 1, 2 and 3. The Fourth Amendment to the Service Plan allocated the combined debt limit, as follows: \$2,000,000 for District No. 1, \$27,000,000 for District No. 2 and \$7,000,000 for District No. 3. The Third Amendment to the Service Plan established a separate and specific revenue debt limit of \$30,000,000 for District No. 3 to accommodate the issuance of revenue-based indebtedness for the portion of public infrastructure construction costs attributable to the commercial development.

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 sales 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 page of the budget using the adopted mill levy imposed by the District.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (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 Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with 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 4% of the property taxes collected.

Interest Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

County Treasurer’s Fees

County Treasurer’s collection fees have been computed at 1.5% of property taxes.

General and Administrative

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Debt Service

The District intends to fully fund its annual debt service obligations under the Series 2020A Senior Bonds per the maturity schedule. The District also anticipates that it will make interest payments on the Series 2020B Subordinate Bonds and on the 2018B Notes.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

Series 2018B Note

The District issued the 2018B Subordinate Limited Tax Revenue Note on December 4, 2018 for an amount not to exceed \$10,000,000 with the ability to draw on the Note as needed. Draws are to be issued to the Developer, a related party (see Note 6), for amounts advanced to the District by the Developer for capital projects of District No.1. Interest payments are due annually on December 15 at a rate of 7.76% computed on the basis of a 360-day year with the principal due at maturity on December 1, 2048. On April 23, 2020, the Developer agreed to reduce the interest rate on the Note from 8% to 7.76%. The repayment of the Note will be subordinate to any outstanding senior debt.

The District drew down \$2,078,512 of principal on the date of issuance. There were five additional draws in 2019 totaling \$4,888,939. In 2020, there was one draw of \$75,000 and principal payments of \$3,622,767. There were no draws in 2021-2023 and none projected in 2024.

Series 2020A and 2020B Senior and Subordinate General Obligation Limited Tax Bonds

On May 5, 2020 the District issued \$20,070,000 of senior and \$9,600,000 of subordinate general obligation limited tax bonds. The bonds were issued for the purpose of paying and discharging the outstanding Series 2015 Bonds, Series 2016A, 2016B and 2019A Notes, repaying a portion of the District's outstanding Subordinate Note Series 2018B, funding a debt service reserve fund, and paying costs of issuance in connection with the bonds.

Series 2020A and 2020B Senior and Subordinate General Obligation Limited Tax Bonds
(continued)

The Series 2020A Senior Bonds bear a coupon interest rate of 3.125% to 5% per annum which is payable semi-annually on June 1 and December 1, commencing on December 1, 2020, and on the maturity dates of the Series 2020A Senior Bonds, subject to optional and mandatory sinking fund redemption prior to maturity. The Series 2020A Senior Bonds will mature on December 1, 2049. The Series 2020A Senior Bonds will constitute limited tax general obligations of the District payable solely from the Senior Pledged Revenue and certain District Funds and accounts established by the Senior Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 51 mills (subject to adjustment as described herein), and the portion of the specific ownership taxes on motor vehicles imposed by the state of Colorado. The Series 2020A Senior Bonds will constitute an irrevocable, but nonexclusive, first lien on the Senior Pledged Revenue and the amounts in such funds and accounts.

The Series 2020B Subordinate Bonds bear a coupon interest rate of 7.625% per annum which is payable annually on December 15, commencing December 15, 2020. The 2020B Subordinate Bonds mature on December 15, 2049. The 2020B Subordinate Bonds will also constitute limited tax general obligations of the District payable solely from and to the extent of Subordinate Pledged Revenue and certain District Funds and accounts established by the Subordinate Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 51 mills (subject to adjustment as derived herein), and the portion of the specific ownership taxes on motor vehicles imposed by the state of Colorado.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2020B Subordinate Bonds are structured as “cash flow” bonds. There are no scheduled payments of principal of the Series 2020B Subordinate Bonds prior to their maturity date, but rather the Subordinate Bonds are subject to mandatory redemption on each December 15 prior to maturity from and to the extent of any available Subordinate Pledged Revenues. All Series 2020B Subordinate Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 16, 2049, regardless of the amount of principal and interest paid on the Series 2020B Subordinate Bonds prior to such date.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.