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## LETTER OF BUDGET TRANSMITTAL

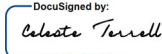
Date: January 30, 2023

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2023 budget and budget message for TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November, 15, 2022. If there are any questions on the budget, please contact:

Celeste Terrell, District Manager  
CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Telephone number: 303-779-5710  
[Celeste.Terrell@claconnect.com](mailto:Celeste.Terrell@claconnect.com)

I, Celeste Terrell, District Manager of the TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 hereby certify that the attached is a true and correct copy of the 2023 budget.

By:   
Celeste Terrell, District Manager

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

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The Board of Directors of Tallyn’s Reach Metropolitan District No. 3 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting, via teleconference and at 24900 E. Park Crescent Drive, Aurora, CO 80016 on November 15, 2022, at the hour of 5:30 p.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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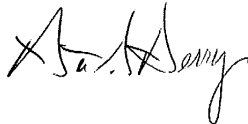
## NOTICE AS TO PROPOSED 2023 BUDGET

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 October 27 A.D. 2022 and that the last publication of said notice was in the issue of said newspaper dated October 27 A.D. 2022.

I witness whereof I have hereunto set my hand this 27th day of October A.D. 2022.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 27th day of October A.D. 2022.



Notary Public

Isabella Perry  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20194037562  
MY COMMISSION EXPIRES 10/1/2023

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 TALLYN'S REACH METROPOLITAN DISTRICT NOS. 2 AND 3 (collectively the "Districts"), will hold a meeting at the Tallyn's Reach Clubhouse, 24900 E Park Crescent Drive, Aurora, CO 80016 and via teleconference on Tuesday, November 15, 2022 at 5:30 p.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 an amendment to the 2022 budgets (the "Amended Budgets"). This meeting can be joined using the following teleconference information: To attend via video conference, email cindy.jenkins@claconnect.com to obtain a link to the video conference or go to the District's website at www.tallynsreachmetrodistrict.com and obtain the link from the Notice of Meeting & Agenda.

To attend via telephone, dial 1-720-547-5281 and enter Phone Conference ID: 453 305 863#

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, Greenwood Village, 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  
BOARD OF DIRECTORS:  
TALLYN'S REACH  
METROPOLITAN DISTRICT NOS. 2 and  
3, quasi-municipal corporations and political subdivisions of the State of Colorado  
/s/ WHITE BEAR ANKELE TANAKA &  
WALDRON  
Attorneys at Law

Publication: October 27, 2022  
Sentinel

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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 3.750 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 41.250 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.

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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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**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

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**TALLYS REACH METROPOLITAN DISTRICT NO. 3**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 42,055	\$ 978,961	\$ 734,724
REVENUES			
Property taxes	3,625,071	2,978,108	3,007,104
Specific ownership taxes	249,838	188,476	180,427
Interest income	2,973	20,500	10,500
Loan issuance - 2021A-1	6,220,000	-	-
Loan issuance - 2021A-2	8,025,000	-	-
Total revenues	<u>18,122,882</u>	<u>3,187,084</u>	<u>3,198,031</u>
Total funds available	<u>18,164,937</u>	<u>4,166,045</u>	<u>3,932,755</u>
EXPENDITURES			
General Fund	-	253,759	253,759
Debt Service Fund	17,185,976	3,177,562	3,210,000
Total expenditures	<u>17,185,976</u>	<u>3,431,321</u>	<u>3,463,759</u>
Total expenditures and transfers out requiring appropriation	<u>17,185,976</u>	<u>3,431,321</u>	<u>3,463,759</u>
ENDING FUND BALANCES	<u>\$ 978,961</u>	<u>\$ 734,724</u>	<u>\$ 468,996</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 8,100</u>	<u>\$ 8,000</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 8,100</u>	<u>\$ 8,000</u>

No assurance provided. See summary of significant assumption.

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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 64,808,290	\$ 66,721,032	\$ 64,954,353
Commercial	440,889	493,053	487,490
State assessed	1,118,910	1,160,030	12,810
Vacant land	146,975	74,765	74,765
Personal property	-	-	1,295,111
Certified Assessed Value	<u>\$ 66,515,064</u>	<u>\$ 68,448,880</u>	<u>\$ 66,824,529</u>
<b>MILL LEVY</b>			
General	0.000	3.660	3.750
Debt Service	54.500	39.850	41.250
Total mill levy	<u>54.500</u>	<u>43.510</u>	<u>45.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ 250,523	\$ 250,592
Debt Service	3,625,071	2,727,688	2,756,512
Levied property taxes	<u>3,625,071</u>	<u>2,978,211</u>	<u>3,007,104</u>
Adjustments to actual/rounding	-	(103)	-
Budgeted property taxes	<u>\$ 3,625,071</u>	<u>\$ 2,978,108</u>	<u>\$ 3,007,104</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ 250,459	\$ 250,592
Debt Service	3,625,071	2,727,649	2,756,512
	<u>\$ 3,625,071</u>	<u>\$ 2,978,108</u>	<u>\$ 3,007,104</u>

No assurance provided. See summary of significant assumption.

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

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 13,051
REVENUES			
Property taxes	-	250,459	250,592
Specific ownership tax	-	15,851	15,036
Interest income	-	500	500
Total revenues	<u>-</u>	<u>266,810</u>	<u>266,128</u>
Total funds available	<u>-</u>	<u>266,810</u>	<u>279,179</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	3,759	3,759
Transfers to Tallyn's Reach Authority	-	250,000	250,000
Total expenditures	<u>-</u>	<u>253,759</u>	<u>253,759</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>253,759</u>	<u>253,759</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 13,051</u>	<u>\$ 25,420</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 8,100</u>	<u>\$ 8,000</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 8,100</u>	<u>\$ 8,000</u>

No assurance provided. See summary of significant assumption.

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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 42,055	\$ 978,961	\$ 721,673
<b>REVENUES</b>			
Property taxes	3,625,071	2,727,649	2,756,512
Specific ownership tax	249,838	172,625	165,391
Interest income	2,973	20,000	10,000
Loan issuance - 2021A-1	6,220,000	-	-
Loan issuance - 2021A-2	8,025,000	-	-
Total revenues	<u>18,122,882</u>	<u>2,920,274</u>	<u>2,931,903</u>
Total funds available	<u>18,164,937</u>	<u>3,899,235</u>	<u>3,653,576</u>
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	54,411	40,937	41,348
Contingency	-	-	10,996
Paying agent fees	300	300	300
Debt Service			
Bond interest - Series 2019	281,950	267,200	251,700
Bond principal - Series 2019	295,000	310,000	325,000
Cost of issuance	210,873	-	-
Loan principal - 2020A	482,000	508,000	545,000
Loan interest - 2020A	211,146	184,726	141,086
Loan principal - 2020B	238,000	299,000	336,000
Loan interest - 2020B	488,986	467,443	458,593
Loan refunding - escrow payment	14,028,048	-	-
Loan principal - Series 2021A-1	275,000	410,000	425,000
Loan interest - Series 2021A-1	106,251	162,893	151,659
Loan principal - Series 2021A-2	400,000	325,000	330,000
Loan interest - Series 2021A-2	114,011	202,063	193,318
Total expenditures	<u>17,185,976</u>	<u>3,177,562</u>	<u>3,210,000</u>
Total expenditures and transfers out requiring appropriation	<u>17,185,976</u>	<u>3,177,562</u>	<u>3,210,000</u>
ENDING FUND BALANCE	<u>\$ 978,961</u>	<u>\$ 721,673</u>	<u>\$ 443,576</u>

No assurance provided. See summary of significant assumption.

**TALLYNS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Tallyn's Reach Metropolitan District No. 3 was organized on November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide water, street, traffic and safety control, television relay and translator, transportation, parks and recreation and sanitation improvements that benefit the citizens of the District. At the time of formation, Tallyn's Reach Metropolitan District No. 1 ("District No. 1") and the Tallyn's Reach Metropolitan District No. 2 ("District No. 2") were also formed. All three districts are governed by the same Service Plan, which provides that District No. 1 is the "Operating District" and the District and District No. 2 are the "Taxing Districts". The Taxing Districts are to provide funding to the Operating District for the construction, operation and maintenance of various public improvements and the Operating District is expected to manage such construction, operation and maintenance. During 2018 the District and District No. 2 formed Tallyn's Reach Authority to perform the duties and obligations of the Operating District. Subsequently all contracts and agreements were modified such that all responsibilities and obligations of Tallyn's Reach Metropolitan District No. 1 were assigned to Tallyn's Reach Authority and Tallyn's Reach Metropolitan District No. 1 was subsequently dissolved. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

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. 29-1-105 105 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 property taxes is reflected on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

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 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**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% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds have been estimated at historical interest rates earnings.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.50% of property taxes.

**Intergovernmental expenditure**

Property taxes generated from the 3.750 mills levied by the District for general operating expenses, net of fees, are expected to be transferred to the Authority in the amount of \$250,000 to fund the administrative expenses of the Authority and the District.

**Debt Service**

Amounts budgeted for debt service are based on the amortization schedule for the 2021A-1, 2021A-2, 2020A, and 2020B Loans and 2019 Bond, which are attached.

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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**\$6,220,000 Tax-Exempt Refunding Loan - 2021A-1**

On May 12, 2021 ("Closing Date"), the District entered into a Loan Agreement ("2021A-1 Loan") with BBVA Mortgage Corporation ("Lender") for a loan of \$6,220,000. The 2021A-1 Tax-Exempt Loan is evidenced by a promissory note. The 2021A-1 Loan was issued to provide funds to refund the District's previous Bonds. The 2021A-1 Loan matures on December 1, 2037. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-1 Loan bears interest at a rate of 2.74% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-1 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2029. The District may, at its option, prepay the 2021A-1 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2029. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.



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**TALLYS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**\$8,020,000 Tax-Exempt Refunding Loan - 2021A-2**

On May 12, 2021 ("Closing Date"), the District entered into a Loan Agreement ("2021A-2 Loan") with BBVA Mortgage Corporation ("Lender") for a loan of \$8,020,000. The 2021A-2 Tax-Exempt Loan is evidenced by a promissory note. The 2021A-2 Loan was issued to provide funds to refund the District's previous Bonds. The 2021A-2 Loan matures on December 1, 2035. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-2 Loan bears interest at a rate of 2.65% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-2 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2028. The District may, at its option, prepay the 2021A-2 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2028. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

**\$7,645,000 Tax-Exempt Refunding Loan - 2020A**

On November 20, 2020 ("Closing Date"), the District entered into a Loan Agreement ("2020A Loan") with BBVA Mortgage Corporation ("Lender") for a loan of \$7,645,000. The 2020A Tax-Exempt Loan is evidenced by a promissory note. The 2020A Loan was issued to provide funds to refund the District's previous Bonds. The 2020A Loan matures on December 1, 2033. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020A Loan bears interest at a rate of 2.12% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2020A Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020A Loan to the date of such prepayment. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

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**TALLYS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**\$16,030,000 Taxable Refunding Loan - 2020B**

On November 20, 2020 ("Closing Date"), the District entered into a Loan Agreement ("2020B Loan") with BBVA Mortgage Corporation ("Lender") for a loan of \$16,030,000. The 2020B Taxable (Convertible to Tax-Exempt) Loan is evidenced by a promissory note. The 2020B Loan was issued to provide funds to refund the District's previous Bonds. The 2020B Loan matures on December 1, 2038. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020B Loan bears interest at a rate of 2.96% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The 2020B Loan will become tax-exempt on September 1, 2023, and the interest rate will be converted to 2.34% per annum. The District may, at its option, prepay the 2020B Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020B Loan to the date of such prepayment. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

**\$7,255,000 General Obligation Refunding Bonds - 2019**

On June 12, 2019, the District issued \$7,255,000 General Obligation Refunding Bonds Series 2019 ("Series 2019 Bonds") at a premium of \$867,660 with maturities through December 1, 2036. Interest rates on the Series 2019 Bonds range between 2.00% and 5.00% with yields ranging between 1.70% and 3.12%. Interest is payable on June 1 and December 1 of each year beginning December 1, 2019. Proceeds of the bond issue were used to fully refund the outstanding Series 2007 bonds and pay costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2034, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2029, upon payment of the principal amount thereof (without redemption premium) plus accrued interest.

The Pledged Revenue for the repayment of all debt is a debt service mill levy fixed at 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

The District refunded the Series 2007 Bonds to reduce its total future debt service payments by \$1,843,270 and to obtain an economic gain (difference between the present values of the debt service payments between the old and new debt) of \$1,476,431.

The District has no operating or capital leases.

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**TALLYNS REACH METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2022 as defined under TABOR.

**This information is an integral part of the accompanying budget.**

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$6,220,000 Tax-Exempt Refunding Loan 2021A-1  
Dated May 12, 2021  
Principal due December 1  
Interest Rate 2.74% Payable  
June 1 and December 1**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 425,000	\$ 151,659	\$ 576,659
2024	445,000	140,014	585,014
2025	365,000	127,821	492,821
2026	290,000	117,820	407,820
2027	295,000	109,874	404,874
2028	310,000	101,791	411,791
2029	320,000	93,297	413,297
2030	340,000	84,529	424,529
2031	350,000	75,213	425,213
2032	365,000	65,623	430,623
2033	375,000	55,622	430,622
2034	395,000	45,347	440,347
2035	405,000	34,524	439,524
2036	425,000	23,427	448,427
2037	430,000	11,782	441,782
	<u>\$ 5,535,000</u>	<u>\$ 1,238,343</u>	<u>\$ 6,773,343</u>

No assurance provided. See summary of significant assumption.

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$8,020,000 Tax-Exempt Refunding Loan 2021A-2  
Dated May 12, 2021  
Principal due December 1  
Interest Rate 2.65% Payable  
June 1 and December 1**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 330,000	\$ 193,318	\$ 523,318
2024	350,000	184,573	534,573
2025	510,000	175,298	685,298
2026	640,000	161,783	801,783
2027	660,000	144,823	804,823
2028	690,000	127,333	817,333
2029	715,000	109,048	824,048
2030	715,000	90,100	805,100
2031	495,000	71,153	566,153
2032	520,000	58,035	578,035
2033	535,000	44,255	579,255
2034	560,000	30,078	590,078
2035	575,000	15,238	590,238
	<u>\$ 7,295,000</u>	<u>\$ 1,405,030</u>	<u>\$ 8,700,030</u>

No assurance provided. See summary of significant assumption.

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$7,645,000 Tax-Exempt Refunding Loan 2020A  
Dated November 20, 2020  
Principal due December 1  
Interest Rate 2.12% Payable  
June 1 and December 1**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 545,000	\$ 141,086	\$ 686,086
2024	553,000	129,532	682,532
2025	566,000	117,808	683,808
2026	577,000	105,809	682,809
2027	603,000	93,577	696,577
2028	603,000	80,793	683,793
2029	625,000	68,010	693,010
2030	625,000	54,760	679,760
2031	639,000	41,510	680,510
2032	658,000	27,963	685,963
2033	661,000	14,013	675,013
	<u>\$ 6,655,000</u>	<u>\$ 874,860</u>	<u>\$ 7,529,860</u>

No assurance provided. See summary of significant assumption.

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$16,030,000 Taxable Refunding Loan 2020B  
Dated November 20, 2020  
Principal due December 1  
Interest Rate 2.34% - 2.96% Payable  
June 1 and December 1**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 336,000	\$ 458,593	\$ 794,593
2024	456,000	448,647	904,647
2025	468,000	435,150	903,150
2026	523,000	421,297	944,297
2027	521,000	405,816	926,816
2028	584,000	390,394	974,394
2029	591,000	373,108	964,108
2030	662,000	355,614	1,017,614
2031	673,000	336,019	1,009,019
2032	730,000	316,098	1,046,098
2033	757,000	294,490	1,051,490
2034	1,495,000	272,083	1,767,083
2035	1,531,000	227,831	1,758,831
2036	1,609,000	182,514	1,791,514
2037	2,229,000	134,887	2,363,887
2038	2,328,000	68,909	2,396,909
	<u>\$ 15,493,000</u>	<u>\$ 5,121,450</u>	<u>\$ 20,614,450</u>

No assurance provided. See summary of significant assumption.

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$7,255,000 General Refunding Loan 2019  
Dated June 5, 2019  
Principal due December 1  
Interest Rate 2.00% - 5.00% Payable  
June 1 and December 1**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 325,000	\$ 251,700	\$ 576,700
2024	345,000	235,450	580,450
2025	360,000	218,200	578,200
2026	365,000	211,000	576,000
2027	380,000	196,400	576,400
2028	400,000	181,200	581,200
2029	415,000	163,950	578,950
2030	435,000	143,200	578,200
2031	460,000	121,450	581,450
2032	480,000	98,450	578,450
2033	505,000	74,450	579,450
2034	530,000	49,200	579,200
2035	545,000	33,300	578,300
2036	565,000	16,950	581,950
	<u>\$ 6,110,000</u>	<u>\$ 1,994,900</u>	<u>\$ 8,104,900</u>

No assurance provided. See summary of significant assumption.



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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<u>Year Ended</u>	<b>Grand Totals</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,961,000	\$ 1,196,356	\$ 3,157,356
2024	2,149,000	1,138,216	3,287,216
2025	2,269,000	1,074,277	3,343,277
2026	2,395,000	1,017,709	3,412,709
2027	2,459,000	950,489	3,409,489
2028	2,587,000	881,511	3,468,511
2029	2,666,000	807,412	3,473,412
2030	2,777,000	728,203	3,505,203
2031	2,617,000	645,344	3,262,344
2032	2,753,000	566,169	3,319,169
2033	2,833,000	482,830	3,315,830
2034	2,980,000	396,708	3,376,708
2035	3,056,000	310,893	3,366,893
2036	2,599,000	222,891	2,821,891
2037	2,659,000	146,669	2,805,669
2038	2,328,000	68,909	2,396,909
	<u>\$ 41,088,000</u>	<u>\$ 10,634,583</u>	<u>\$ 51,722,583</u>

No assurance provided. See summary of significant assumption.

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 4702 County Tax Entity Code

DOLA LGID/SID 03156

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup>  
 of ARAPAHOE COUNTY, COLORADO.

On behalf of the TALLYN'S REACH METROPOLITAN DISTRICT NO. 3,  
 (taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
 (governing body)<sup>B</sup>

of the TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's \$ 66,824,529  
 GROSS assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies \$ 66,824,529  
 must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/05/2022 for budget/fiscal year 2023.  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	<u>3.750</u> mills	<u>\$ 250,592</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>3.750</b> mills	<b>\$ 250,592</b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>7.592</u> mills	<u>\$ 507,332</u>
4. Contractual Obligations <sup>K</sup>	<u>33.658</u> mills	<u>\$ 2,249,180</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>45.000</b> mills	<b>\$ 3,007,104</b>

Contact person: Shelby Clymer Daytime phone: ( 303 ) 779-5710  
 (print)  
 Signed: Shelby Clymer Title: Accountant for the District

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

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*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

### **CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

#### **CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

##### **BONDS<sup>J</sup>:**

1.	Purpose of Issue:	Refunding Series 2007 Bonds
	Series:	Series 2019 General Obligation Refunding Bonds
	Date of Issue:	June 12, 2019
	Coupon Rate:	2.000% - 5.000%
	Maturity Date:	December 1, 2036
	Levy:	7.592
	Revenue:	\$507,332

##### **CONTRACTS<sup>K</sup>:**

2.	Purpose of Contract:	Refunding Series 2012 and Series 2013 Bonds
	Title:	Tax-Exempt Refunding Loan – 2020A
	Date:	November 20, 2020
	Principal Amount:	\$7,645,000
	Maturity Date:	December 1, 2033
	Levy:	9.032
	Revenue:	\$603,559
3.	Purpose of Contract:	Refunding Series 2012 and Series 2013 Bonds
	Title:	Taxable (Convertible to Tax-Exempt) Refunding Loan – 2020B
	Date:	November 20, 2020
	Principal Amount:	\$16,030,000
	Maturity Date:	December 1, 2038
	Levy:	10.144
	Revenue:	\$677,868
4.	Purpose of Contract:	Refunding Series 2016 Bonds
	Title:	Taxable (Converting to Tax-Exempt) Refunding Loan – Series 2021A-1
	Date:	May 12, 2021
	Principal Amount:	\$6,220,000
	Maturity Date:	December 1, 2037
	Levy:	7.591
	Revenue:	\$507,265

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

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**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.)**. Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District’s or Subdistrict’s total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**CONTRACTS<sup>K</sup>:**

5.	Purpose of Contract:	Refunding Series 2016 Bonds
	Title:	Tax-Exempt Refunding Loan – Series 2021A-2
	Date:	May 12, 2021
	Principal Amount:	\$8,020,000
	Maturity Date:	December 1, 2035
	Levy:	6.891
	Revenue:	\$460,488