

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

The Board of Directors of Sabell Metropolitan District (the “**Board**”), City of Arvada, Jefferson County, Colorado (the “**District**”), held a special meeting, via teleconference on date of meeting October 25, 2023, at the hour of 11:30 am.

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.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2024 BUDGET

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Public Notice

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

Sabell Metro District (wba) **
c/o White Bear Ankele, Law
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the SABELL METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on **October 25, 2023 at 11:30 AM**, for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2023 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/89711326028?pwd=Mxt8D4TGLs2QMY0QeHxw3bV0vMTA5.1>
Meeting ID: 897 1132 6028
Passcode: 543665
Call-in Number: +1-720-707-2699

**AFFIDAVIT OF
PUBLICATION**

State of Colorado }
County of Jefferson } ss

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111, where the same are open for public inspection.

This Affidavit of Publication for the Jeffco Transcript, a weekly newspaper, printed and published for the County of Jefferson, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/19/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained at <https://sabellmetrodistrict.com/> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
SABELL METROPOLITAN DISTRICT,
a quasi-municipal corporation and political subdivision of the State of Colorado

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

Legal Notice No. 417077
First Publication: October 19, 2023
Last Publication: October 19, 2023
Publisher: Jeffco Transcript
and the Arvada Press

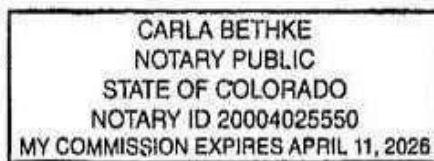


For the Jeffco Transcript

State of Colorado }
County of Jefferson } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/19/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-369524
Carla Bethke
Notary Public
My commission ends April 11, 2026



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 19.466 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 64.887 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 Jefferson 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.

[Remainder of Page Intentionally Left Blank]

ADOPTED OCTOBER 25, 2023.

DISTRICT:

SABELL METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 
Matt Cavanaugh (Oct 27, 2023 09:36 MDT)
Officer of the District

Attest:

By: *Julie Pero*
Julie Pero (Oct 29, 2023 11:25 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Megan G. Murphy
General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
SABELL METROPOLITAN DISTRICT

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, October 25, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29 day of October, 2023.

Julie Pero
Julie Pero (Oct 29, 2023 11:25 MDT)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SABELL METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**SABELL METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,159,559	\$ 1,042,433	\$ 1,005,157
REVENUES			
Property taxes	238,034	303,377	583,313
Specific ownership taxes	16,341	21,780	40,832
Operations and maintenance fee	31,659	83,880	95,400
Transfer fees	65,400	39,000	2,400
Interest income	17,312	46,414	46,000
Developer advance	387,097	10,000	4,000,000
Bond issuance proceeds	533,000	-	3,167,000
Total revenues	<u>1,288,843</u>	<u>504,451</u>	<u>7,934,945</u>
Total funds available	<u>2,448,402</u>	<u>1,546,884</u>	<u>8,940,102</u>
EXPENDITURES			
General Fund	94,981	79,876	85,000
Debt Service Fund	379,500	380,651	405,000
Capital Projects Fund	876,829	-	7,167,000
Special Revenue Fund	54,659	81,200	104,000
Total expenditures	<u>1,405,969</u>	<u>541,727</u>	<u>7,761,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,405,969</u>	<u>541,727</u>	<u>7,761,000</u>
ENDING FUND BALANCES	<u>\$ 1,042,433</u>	<u>\$ 1,005,157</u>	<u>\$ 1,179,102</u>
EMERGENCY RESERVE	\$ 1,800	\$ 2,300	\$ 4,400
SURPLUS FUND	980,848	896,712	1,017,824
SPECIAL REVENUE RESERVE	300	3,700	2,900
TOTAL RESERVE	<u>\$ 982,948</u>	<u>\$ 902,712</u>	<u>\$ 1,025,124</u>

**SABELL METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ -	\$ 2,171,601	\$ 6,068,276
State assessed	2	423	939
Vacant land	3,289,029	2,122,082	704,364
Personal property	391	57,759	141,567
Certified Assessed Value	\$ 3,289,422	\$ 4,351,865	\$ 6,915,146

MILL LEVY

General	16.699	16.087	19.466
Debt Service	55.664	53.625	64.887
Total mill levy	72.363	69.712	84.353

PROPERTY TAXES

General	\$ 54,930	\$ 70,008	\$ 134,610
Debt Service	183,102	233,369	448,703
Levied property taxes	238,032	303,377	583,313
Adjustments to actual/rounding	2	-	-
Budgeted property taxes	\$ 238,034	\$ 303,377	\$ 583,313

BUDGETED PROPERTY TAXES

General	\$ 54,930	\$ 70,008	\$ 134,610
Debt Service	183,104	233,369	448,703
	\$ 238,034	\$ 303,377	\$ 583,313

**SABELL METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (4,349)	\$ 2,707	\$ 7,887
REVENUES			
Property taxes	54,930	70,008	134,610
Specific ownership taxes	3,771	5,026	9,423
Interest income	68	22	-
Developer advance	43,268	10,000	-
Total revenues	<u>102,037</u>	<u>85,056</u>	<u>144,033</u>
Total funds available	<u>97,688</u>	<u>87,763</u>	<u>151,920</u>
EXPENDITURES			
General and administrative			
Accounting	26,910	30,000	35,000
Auditing	5,200	5,750	6,500
County Treasurer's fee	825	1,050	2,019
Dues and membership	330	338	500
Insurance	4,248	4,041	5,000
Legal	54,098	35,000	35,000
Miscellaneous	615	-	-
Election	2,755	3,697	-
Contingency	-	-	981
Total expenditures	<u>94,981</u>	<u>79,876</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>94,981</u>	<u>79,876</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ 2,707</u>	<u>\$ 7,887</u>	<u>\$ 66,920</u>
EMERGENCY RESERVE	<u>\$ 1,800</u>	<u>\$ 2,300</u>	<u>\$ 4,400</u>
TOTAL RESERVE	<u>\$ 1,800</u>	<u>\$ 2,300</u>	<u>\$ 4,400</u>

No assurance provided. See summary of significant assumptions.

**SABELL METRO DISTRICT
SPECIAL REVENUE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 16,478	\$ 58,878	\$ 100,558
REVENUES			
Operations and maintenance fee	31,659	83,880	95,400
Transfer fees	65,400	39,000	2,400
Total revenues	<u>97,059</u>	<u>122,880</u>	<u>97,800</u>
Total funds available	<u>113,537</u>	<u>181,758</u>	<u>198,358</u>
EXPENDITURES			
Operations and maintenance			
District management	13,667	30,000	28,500
Miscellaneous	-	1,200	1,500
Landscaping	300	20,000	25,000
Repairs and maintenance	-	5,000	5,000
Snow removal	40,692	25,000	25,000
Social Events	-	-	4,000
Utilities	-	-	5,000
Trash Collection	-	-	10,000
Total expenditures	<u>54,659</u>	<u>81,200</u>	<u>104,000</u>
Total expenditures and transfers out requiring appropriation	<u>54,659</u>	<u>81,200</u>	<u>104,000</u>
ENDING FUND BALANCES	<u>\$ 58,878</u>	<u>\$ 100,558</u>	<u>\$ 94,358</u>
SPECIAL REVENUE RESERVE	\$ 300	\$ 3,700	\$ 2,900
TOTAL RESERVE	<u>\$ 300</u>	<u>\$ 3,700</u>	<u>\$ 2,900</u>

**SABELL METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,147,430	\$ 980,848	\$ 896,712
REVENUES			
Property taxes	183,104	233,369	448,703
Specific ownership taxes	12,570	16,754	31,409
Interest income	17,244	46,392	46,000
Total revenues	<u>212,918</u>	<u>296,515</u>	<u>526,112</u>
Total funds available	<u>1,360,348</u>	<u>1,277,363</u>	<u>1,422,824</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	2,750	3,501	6,731
Paying agent fees	7,000	7,400	7,000
Contingency	-	-	6,519
Bond interest	369,750	369,750	369,750
Bond Principal	-	-	15,000
Total expenditures	<u>379,500</u>	<u>380,651</u>	<u>405,000</u>
Total expenditures and transfers out requiring appropriation	<u>379,500</u>	<u>380,651</u>	<u>405,000</u>
ENDING FUND BALANCES	<u>\$ 980,848</u>	<u>\$ 896,712</u>	<u>\$ 1,017,824</u>
SURPLUS FUND	<u>\$ 980,848</u>	<u>\$ 896,712</u>	<u>\$ 1,017,824</u>
TOTAL RESERVE	<u>\$ 980,848</u>	<u>\$ 896,712</u>	<u>\$ 1,017,824</u>

**SABELL METRO DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	343,829	-	4,000,000
Bond issuance proceeds	533,000	-	3,167,000
Total revenues	<u>876,829</u>	<u>-</u>	<u>7,167,000</u>
Total funds available	<u>876,829</u>	<u>-</u>	<u>7,167,000</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	445,000	-	3,167,000
Engineering	1,733	-	-
Capital outlay	342,096	-	4,000,000
Bond issue costs	88,000	-	-
Total expenditures	<u>876,829</u>	<u>-</u>	<u>7,167,000</u>
Total expenditures and transfers out requiring appropriation	<u>876,829</u>	<u>-</u>	<u>7,167,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SABELL METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Sabell Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on January 24, 2019, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District’s service area is location in Jefferson County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts’ service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contractual.

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

Developer Advances

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. The Developer is also expected to construct or cause to construct public improvements on behalf of the District. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

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.

**SABELL METROPOLITAN DISTRICT
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 7% 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 5.0%.

Operations fees

The District imposes an Operations Fee on all residential units within the boundaries of the District to fund operating costs. The Operations Fee is a recurring payment of \$360 per unit per year.

Transfer fees

The District imposes a Transfer fee of \$600 upon on each transfer of a residential unit to an end user, including single family and multi-family dwellings and excluding apartments.

**SABELL METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

Principal and interest payments in 2024 are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debts and Leases). There is no debt amortization schedule provided for the Series 2019B Subordinate Bonds as the Bond is a cash flow bond and the timing of the payments are unknown.

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

Debt and Leases

Series 2020 Bonds

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A on March 5, 2020, in the par amount of \$7,395,000 (the Senior Bonds). The District also issued Subordinate Limited Tax General Obligation Bonds, Series 2020B(3) on March 5, 2020, in the par amount of \$1,816,000 (the Subordinate Bonds). Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the Development; (ii) fund capitalized interest on the Senior Bonds; (iii) partially fund the Senior Surplus Fund; and (iv) pay the costs of issuance of the Senior Bonds and certain costs of issuance of the Subordinate Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (i) finance additional public improvements related to the Development; and (ii) pay certain other costs of issuance of the Subordinate Bonds.

Senior Bond Details

The Senior Bonds bear interest at 5.0%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 ("Interest Payment Dates"), beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2050. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Senior Bonds. Any amount of unpaid principal of or interest on the 2020A Senior Bonds shall be deemed discharged on December 2, 2060.

**SABELL METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Senior Pledged Revenue

The Senior Bonds are secured by and payable from the Senior Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Subordinate Bonds Details

The Subordinate Bonds bear interest at a rate of 8.25% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue and accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment.

Payment of principal of and interest on the Subordinate Bonds is subordinate to the annual payment of debt service on the Senior Bonds and to the funding of the Senior Surplus Fund. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid on December 16, 2060, the Subordinate Bonds will be deemed discharged.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County, which includes: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax resulting from the Subordinate Required Mill Levy; (c) the amounts, if any, in the Senior Surplus Fund released to the District pursuant to the Senior Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue

Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 28, 2028	1.00
March 1, 2028, and thereafter	0.00

**SABELL METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Senior Required Mill Levy

Pursuant to the Senior Indenture, prior to the Conversion Date the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

On and after the Conversion Date, the Senior Required Mill Levy will be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and, without limitation of rate and in amounts sufficient to make such payments and replenishments when due.

Conversion Date

Conversion Date means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or interest on the Bonds are past due and the amount on deposit in the Senior Surplus Fund is not less than the initial deposit in the Senior Surplus Fund.

Debt to Assessed Ratio

The Debt to Assessed Ratio is derived by dividing the District's then-outstanding principal amount of all debt of the District to which property taxes are pledged by the assessed valuation of the taxable property of the District. For purposes of the forecast, the current year Debt to Assessed Ratio is calculated based on the outstanding debt as of December 2 of the current year and the assessed valuation for the subsequent year.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in the amount of (i) 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017) less the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Required Mill Levy equals or exceeds 50 mills in any year, adjusted for changes, the Subordinate Required Mill Levy for that year shall be zero.

The District has no operating or capital leases.

**SABELL METROPOLITAN DISTRICT
2024 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 2024 as defined under TABOR.

Debt Service Reserve (Surplus Fund)

The District is required to maintain a Surplus Fund from funds that exceed the current year debt service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$1,479,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current year debt service requirements.

This information is an integral part of the accompanying budget.

**SABELL METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
MANDATORY REDEMPTION SCHEDULE**

\$7,395,000 Limited Tax (Convertible to Unlimited Tax)

General Obligation Bonds

Series 2020A, Dated March 5, 2020

Principal Due December 1

Interest at 5.0%

Payable June 1 and December 1

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,000	\$ 369,750	\$ 384,750
2025	85,000	369,000	454,000
2026	95,000	364,750	459,750
2027	100,000	360,000	460,000
2028	115,000	355,000	470,000
2029	120,000	349,250	469,250
2030	135,000	343,250	478,250
2031	145,000	336,500	481,500
2032	160,000	329,250	489,250
2033	170,000	321,250	491,250
2034	185,000	312,750	497,750
2035	195,000	303,500	498,500
2036	215,000	293,750	508,750
2037	225,000	283,000	508,000
2038	250,000	271,750	521,750
2039	260,000	259,250	519,250
2040	285,000	246,250	531,250
2041	300,000	232,000	532,000
2042	325,000	217,000	542,000
2043	340,000	200,750	540,750
2044	370,000	183,750	553,750
2045	385,000	165,250	550,250
2046	415,000	146,000	561,000
2047	435,000	125,250	560,250
2048	470,000	103,500	573,500
2049	495,000	80,000	575,000
2050	1,105,000	55,250	1,160,250
Total	<u><u>\$ 7,395,000</u></u>	<u><u>\$ 6,977,000</u></u>	<u><u>\$ 14,372,000</u></u>

No assurance provided. See summary of significant assumptions.