

**RESOLUTION NO. 2024-11-05**

**RESOLUTION  
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING  
MILL LEVIES FOR THE CALENDAR YEAR 2025**

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The Board of Directors of Dawson Trails Metropolitan District No. 1 (the “**Board**”), Town of Castle Rock, Douglas County, Colorado (the “**District**”), held a special meeting, via teleconference on November 19, 2024, at the hour of 10:30 a.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2025 BUDGET

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

Dawson Trails Metro Districts (PA) \*\*  
c/o Public Alliance  
405 Urban St., Suite 310  
Lakewood CO 80228

## AFFIDAVIT OF PUBLICATION

State of Colorado        }  
County of Douglas       } ss

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, 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 10/17/2024, 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.



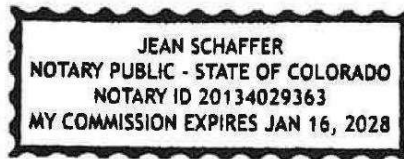
For the Douglas County News-Press

State of Colorado        }  
County of Arapahoe     } 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 10/17/2024. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20134029363-473125

Jean Schaffer  
Notary Public  
My commission ends January 16, 2028



### Public Notice

#### NOTICE CONCERNING 2024 BUDGET AMENDMENTS AND PROPOSED 2025 BUDGETS DAWSON TRAILS METROPOLITAN NOS. 1-7

NOTICE IS HEREBY GIVEN to all interested parties that the necessity may arise to amend the Dawson Trails Metropolitan Nos. 1-7 (the "Districts") 2024 Budgets, if necessary, and that proposed 2025 Budgets have been submitted to the respective Board of Directors of the Districts (the "Boards"); and that copies of the proposed Amended 2024 Budgets and 2025 Budgets have been filed at the Districts' offices, 405 Urban Street, Suite 310, Lakewood, Colorado, where the same is open for public inspection; and that adoption of Resolutions Amending the 2024 Budgets and Adopting the 2025 Budgets will be considered at a public meeting of the Boards to be held via Zoom, on **Tuesday, November 19, 2024, at 10:00 a.m.** and can be joined through the directions below:

<https://us06web.zoom.us/j/81760317988?pwd=2Y3WSPASc8r0doagr7w68rkZ86gbEv.1>  
Meeting ID: 817 6031 7988  
Passcode: 087429  
Dial In: 1-720-707-2699

Any elector within the Districts may, at any time prior to the final adoption of the Resolutions to Amend the 2024 Budgets and adopt the 2025 Budgets, inspect and file or register any objections thereto.

#### DAWSON TRAILS METROPOLITAN NOS. 1-7

By /s/ AJ Beckman, Secretary

Legal Notice No. 947752  
First Publication: October 17, 2024  
Last Publication: October 17, 2024  
Publisher: Douglas County News-Press

WHEREAS, the Board has appointed 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 available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final 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 2025. 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 of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. 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 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Douglas 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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.

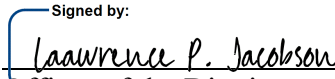
Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED NOVEMBER 19, 2024.

**DISTRICT:**

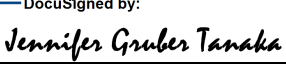
**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

By:  \_\_\_\_\_  
Officer of the District

Attest:

By:  \_\_\_\_\_  
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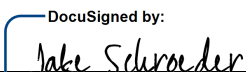
APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
 \_\_\_\_\_  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF DOUGLAS  
DAWSON TRAILS METROPOLITAN DISTRICT NO. 1

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 Tuesday, November 19, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19<sup>th</sup> day of November, 2024.

 \_\_\_\_\_  
Signature

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

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**



**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 102,008	\$ (169,009)	\$ 104,101,910
REVENUES			
Property taxes	5,563	4,939	5,712
Specific ownership taxes	516	-	514
Remaining Proceeds from 1992 Refunding Bonds	389,128	-	-
Billboard Revenue	8,249	-	-
Interest Income	5,397	3,508,494	3,004,224
Developer advance	3,300,000	5,414,771	-
Bond Issuance - Series 2024	-	141,646,888	-
Intergovernmental revenues from District No. 2	285	385	391
Intergovernmental revenues from District No. 3	2,606	3,141	3,532
Intergovernmental revenues from District No. 4	433	417	375
Intergovernmental revenues from District No. 5	2,512	509	507
Intergovernmental revenues from District No. 6	4,404	4,990	5,827
Intergovernmental revenues from District No. 7	761	1,016	1,004
Other Revenue	135	120	7,914
Total revenues	<u>3,719,989</u>	<u>150,585,670</u>	<u>3,030,000</u>
Total funds available	<u>3,821,997</u>	<u>150,416,661</u>	<u>107,131,910</u>
EXPENDITURES			
General Fund	191,584	222,459	145,000
Capital Projects Fund	3,799,422	46,092,292	106,969,945
Total expenditures	<u>3,991,006</u>	<u>46,314,751</u>	<u>107,114,945</u>
Total expenditures and transfers out requiring appropriation	<u>3,991,006</u>	<u>46,314,751</u>	<u>107,114,945</u>
ENDING FUND BALANCES	<u>\$ (169,009)</u>	<u>\$ 104,101,910</u>	<u>\$ 16,965</u>
EMERGENCY RESERVE	<u>\$ 12,600</u>	<u>\$ 800</u>	<u>\$ 1,000</u>
TOTAL RESERVE	<u>\$ 12,600</u>	<u>\$ 800</u>	<u>\$ 1,000</u>

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2025 BUDGET**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 6,840	\$ 2,810	\$ 2,850
Vacant land	5,490	-	-
Personal property	62,800	63,900	74,300
Certified Assessed Value	<u>\$ 75,130</u>	<u>\$ 66,710</u>	<u>\$ 77,150</u>
<b>MILL LEVY</b>			
General	74.044	74.044	74.044
Total mill levy	<u>74.044</u>	<u>74.044</u>	<u>74.044</u>
<b>PROPERTY TAXES</b>			
General	\$ 5,563	\$ 4,939	\$ 5,712
Levied property taxes	5,563	4,939	5,712
Budgeted property taxes	<u>\$ 5,563</u>	<u>\$ 4,939</u>	<u>\$ 5,712</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 5,563</u>	<u>\$ 4,939</u>	<u>\$ 5,712</u>
	<u>\$ 5,563</u>	<u>\$ 4,939</u>	<u>\$ 5,712</u>

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2025 BUDGET**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 102,008	\$ 330,413	\$ 131,965
<b>REVENUES</b>			
Property taxes	5,563	4,939	5,712
Specific ownership taxes	516	-	514
Remaining Proceeds from 1992 Refunding Bonds	389,128	-	-
Billboard Revenue	8,249	-	-
Intergovernmental revenues from District No. 2	285	385	391
Intergovernmental revenues from District No. 3	2,606	3,141	3,532
Intergovernmental revenues from District No. 4	433	417	375
Intergovernmental revenues from District No. 5	2,512	509	507
Intergovernmental revenues from District No. 6	4,404	4,990	5,827
Intergovernmental revenues from District No. 7	761	1,016	1,004
Other Revenue	135	120	7,914
Interest Income	5,397	8,494	4,224
Total revenues	419,989	24,011	30,000
Total funds available	521,997	354,424	161,965
<b>EXPENDITURES</b>			
General and administrative			
Accounting	40,874	48,000	12,000
Auditing	-	5,500	6,000
County Treasurer's Fee	83	74	86
Directors' fees	7,700	23,000	25,000
Dues and Membership	1,715	1,817	2,500
Insurance	22,318	21,181	25,000
District management	25,241	15,000	12,000
Legal	80,346	100,000	40,000
Miscellaneous	8,930	2,400	9,000
Payroll taxes	589	1,800	2,000
Election	3,788	47	2,000
Landscaping	-	3,040	-
Website	-	600	1,500
Contingency	-	-	7,914
Total expenditures	191,584	222,459	145,000
Total expenditures and transfers out requiring appropriation	191,584	222,459	145,000
ENDING FUND BALANCES	\$ 330,413	\$ 131,965	\$ 16,965
EMERGENCY RESERVE	\$ 12,600	\$ 800	\$ 1,000
TOTAL RESERVE	\$ 12,600	\$ 800	\$ 1,000

No assurance provided. See summary of significant assumptions.

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ (499,422)	\$ 103,969,945
<b>REVENUES</b>			
Developer advance	3,300,000	5,414,771	-
Bond Issuance - Series 2024	-	141,646,888	-
Interest Income	-	3,500,000	3,000,000
Total revenues	3,300,000	150,561,659	3,000,000
Total funds available	3,300,000	150,062,237	106,969,945
<b>EXPENDITURES</b>			
General and Administrative			
Capital Projects			
Accounting	2,448	30,000	40,000
District management	-	-	-
Bond issue costs	75,000	4,063,684	-
Capital outlay	3,411,777	20,000,000	105,809,845
Engineering	294,910	800,000	1,000,000
District management	-	5,000	26,000
Legal	15,287	50,000	81,500
Paying agent fees	-	12,600	12,600
Bond discount	-	12,296,943	-
Repay developer advance	-	8,834,065	-
Total expenditures	3,799,422	46,092,292	106,969,945
Total expenditures and transfers out requiring appropriation	3,799,422	46,092,292	106,969,945
ENDING FUND BALANCES	\$ (499,422)	\$ 103,969,945	\$ -

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Dawson Trails Metropolitan District No. 1 (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized (Originally as Dawson Ridge Metropolitan District No. 1) by order of the District Court in Douglas County and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide construction, installation, financing and operation of public improvements.

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**

**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.

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 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%		

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**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 9% 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 4.0%.

**Transfers from Other Districts**

The District intends to enter into a Master Intergovernmental Agreement, whereby the District will provide certain operation, maintenance, and administrative services benefiting the District, Dawson Trails Metropolitan District Nos. 2-7, (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

**Expenditures**

**Administrative and Operating Expenditures**

Operating 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.

**County Treasurer's Fees**

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

**Capital Outlay**

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

**Debt Service**

There is no schedule of debt amortization for the Series 2024 Bonds as the Bonds accrete in value compounding semi-annually on June 1 and December 1, beginning on December 1, 2024, to and including December 1, 2031. After the Final Maturity Date, the Bonds automatically convert to Cash Flows Bonds as discussed in the Bond Details.

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**2024 Bonds**

The District issued bonds on May 16, 2024, in the par amount of \$141,646,888, appreciating to a principal amount of \$237,990,000, for the Limited Tax General Obligation Capital Appreciation Turbo Bonds, Series 2024 (the Bonds).

The Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the applicable Indenture and do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

**Proceeds of the Bonds**

Proceeds from the sale of the 2024 Bonds were used for the purposes of (a) paying Project Costs, and (b) paying costs and expenses incidental to the issuance of the Bonds.

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, 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>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

**Details of the 2024 Bonds**

The 2024 Bonds were issued as limited tax general obligation capital appreciation turbo bonds, convertible to current interest bonds on December 1, 2031 (the "Final Maturity Date"). Prior to the Final Maturity Date, the Bonds will accrete in value at an annual rate equal to 7.00% from their date of issuance (the "Accreted Value"). The Accreted Value of the Bonds compounds semi-annually on June 1 and December 1, beginning on December 1, 2024, to and including December 1, 2031. The Accreted Value of the Bonds on the Final Maturity Date will be \$237,990,000, assuming no mandatory turbo redemption payments are made.

Prior to the Final Maturity Date, moneys in the Bond Fund shall be used by the Trustee solely to pay the Accreted Value of the Bonds pursuant to an annual mandatory turbo redemption.

On November 1 of each year, commencing on November 1, 2024 and continuing through and including November 1, 2031, the Trustee shall determine the amount then on deposit in the Bond Fund and, provided that amounts therein are sufficient to redeem at least \$1,000 in Accreted Value of the Bonds, the Trustee shall promptly give notice of prior redemption and take such other actions as necessary to redeem as many Bonds as can be redeemed with such moneys on December 1 of that year (each, a "Mandatory Turbo Redemption Date").

After the Final Maturity Date, the Bonds automatically convert to Cash Flow Bonds. After the Final Maturity Date, the Bonds will bear interest at a rate of 7.00%. After the Final Maturity Date, moneys in the Bond Fund shall be used by the Trustee solely to pay principal of an interest on the Bonds. Principal and interest is payable annually on December 1 of each year, commencing on December 1, 2032.

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

Details of the 2024 Bonds (continued)

The Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on May 16, 2074 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

District Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, net of the cost of collection, which is defined generally in the Indenture as:

- (a) the Property Tax Revenues generated by the Required Mill Levy of each Taxing District;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of each Taxing District's Required Mill Levy;
- (c) the Capital Facilities Fee Revenue of each Taxing District;
- (d) the Overall PIF Revenue of each Taxing District;
- (e) the Costco PIF Revenue of each Taxing District;
- (f) the Sales Tax Rebate of each Taxing District;
- (g) the Primary PILOT Revenue of each Taxing District;
- (h) the Fallback PILOT Revenue of each Taxing District;
- (i) any other legally available moneys which any Taxing District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The Indenture and Pledge Agreements require each Taxing District to impose a Required Mill Levy upon all taxable property of the Taxing Districts in its Mill Levy Commencement Year and in each year thereafter in the amount of 64.044 mills; provided, however, that if, on or after September 6, 2022 (being the date of Service Plan approval), changes are made in the method of calculating assessed valuation or any constitutionally mandated or statutorily mandated tax credit, cut or abatement, the minimum and maximum mill levies provided in the Indenture and Pledge Agreements shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the District Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in residential rate and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation.

Overall PIF Revenue and Costco PIF Revenue

In accordance with the Overall PIF Covenant and PIF Rate Notice, the Overall PIF Rate for each Overall PIF Sale excluding Lodging Activities is 1.25%, and the Overall PIF Rate for Lodging Activities is 3.00%. In accordance with the Costco PIF Covenant, the Costco PIF Rate for each Costco PIF Sale is 0.25%. Owners cannot require the District or any other party to raise: (i) the Overall PIF Rate above \



**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

Overall PIF Revenue and Costco PIF Revenue (continued)

1.25% for Overall PIF Sales excluding Lodging Activities, (ii) the Overall PIF Rate above 3.00% for Lodging Activities or (iii) the Costco PIF Rate above 0.25% for Costco PIF Sales. The District's ability to retire the indebtedness created by the issuance of the Bonds is therefore dependent upon the establishment and maintenance of an adequate base of Overall PIF Sales and Costco PIF Sales from which the Collection Agent can collect sufficient Overall PIF Revenue and Costco PIF Revenue. Because no commercial property is under construction or operational in the Development, no Overall PIF Sales or Costco PIF Sales have yet occurred. Per the Indenture, the public improvement fees generated from the First Grocer under the Grocer PIF Covenant, if any, are not pledged to the Bonds.

Capital Facilities Fee Revenue

In accordance with the Capital Facilities Fee Resolutions, the Capital Facilities Fee imposed by each Taxing District is \$5,000 per single-family detached residence, \$3,750 per single-family attached residence and \$2,500 per apartment or other multi-family residence (each subject to annual increases as described herein). Owners cannot require any Taxing District to raise its Capital Facilities Fee above \$5,000 per single-family detached residence, \$3,750 per single-family attached residence or \$2,500 per apartment or other multi-family residence (subject to annual increases).

The District's ability to retire the indebtedness created by the issuance of the Bonds is therefore dependent upon the sale of residential property and the construction of residential units within the Taxing Districts. Because the Developer owns substantially all real property in the Taxing Districts, and no residential units are under construction or completed, the Taxing Districts have not collected any Capital Facilities Fees.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Acceleration of the Bonds shall not be an available remedy for an Event of Default.

**DAWSON TRAILS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

The District has no operating or capital leases.

The following is a summary of the Districts long-term obligations:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024
Developer Advance - Capital	3,300,000	5,414,771	8,714,771	-
Accrued Interest on:				
Developer Advance - Capital	32,278	195,843	119,294	108,827
Total	<u>\$ 3,332,278</u>	<u>\$ 5,610,614</u>	<u>\$ 8,834,065</u>	<u>\$ 108,827</u>
	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025
Developer Advance - Capital	-	-	-	-
Accrued Interest on:				
Developer Advance - Capital	108,827	9,291	-	118,118
Total	<u>\$ 108,827</u>	<u>\$ 9,291</u>	<u>\$ -</u>	<u>\$ 118,118</u>

**Reserve Funds**

**Emergency Reserve**

The district has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2025 as defined under TABOR.

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