

2023 ANNUAL REPORT TO THE CITY OF COLORADO SPRINGS

Pursuant to the Amended and Restated Service Plan for The Sands Metropolitan District Nos. 1-3 (collectively, the “District” or “Districts”), the Districts are required to submit an annual report to the Director of the City’s Budget Department, as follows:

Please provide the following additional information:

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year.

There were no boundary changes during the report year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

An Intergovernmental Agreement re District Operations and Outstanding Reimbursement Obligations between The Sands Metropolitan District Nos. 1, 2, 3 and 4 was entered into on December 13, 2016.

An Intergovernmental Agreement between the City of Colorado Springs and The Sands Metropolitan District Nos. 1-3 was entered into on June 6, 2018.

No other IGAs exist at this time.

3. Access Information for the Districts’ Rules and Regulations, if any, as of December 31 of the prior year.

Declaration of Covenants, Conditions and Restrictions for Morningview were recorded with the El Paso County Clerk and Recorder’s office on January 16, 2020. The Covenants are public record and can be found online or by request to the Clerk and Recorder’s office. They are also available via the District’s website: <https://www.thesandsmds.com/governing-information>

District Manager: The Landhuis Company
Attn: Chasity McMorrow
E-mail: cmcmorrow@landhuisco.com

District Legal Counsel: Spencer Fane LLP
Attn: David O’Leary
E-mail: doleary@spencerfane.com

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

There is no litigation, notices of claim, pending or threatened, against the District of which we are aware.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

The Sands Subdivision 1st Filing public improvements have been completed and certified to the District during the reporting period. The District engineer has certified that those public improvements were installed per approved plans submitted and approved by the City. The remaining improvements are pending final completion and certification from the City.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

To the best of our knowledge and belief, water, sewer, street and storm drainage improvements related to the Sands Subdivision 1st Filing were completed in accordance with the approved plans and plat on file with and approved by the City, and completed improvements were dedicated to the City for acceptance during the reporting year. For the 2021 report year, the improvements were substantially completed and the improvements for the 1st Filing as of August 2020; the Developer has constructed public improvements needed for the development in accordance with plans approved by the City. Once completed, public improvements are dedicated to the City or the District as appropriate, in accordance with approved development plans of the City.

7. The assessed valuation of the District for the current year.

District 1: \$1,010,190

District 2: \$8,351,240

District 3: \$3,915,970

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2024 budgets are attached hereto as **Exhibit A**.

9. Audit of the Districts, and any entity formed by one or more of the Districts, and financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Revenues and expenditures for District Nos. 1-3 were each less than \$750,000 in 2023, and exemptions from audit for the report year will be filed by the March 31 deadline. Copies of the

exemption applications can be obtained through the state auditor's online portal:
<https://apps.leg.co.gov/osa/lg/submissions/search>.

10. Notice of any uncured events of default by any of the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

None.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

Attached hereto as **Exhibit B**.

Dated: May 23, 2024

/s/ David S. O'Leary

David S. O'Leary, Counsel for the District

EXHIBIT A
2024 BUDGETS

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

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

Attached are the 2024 budget and budget message for THE SANDS METROPOLITAN DISTRICT NO. 1 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 2, 2023. If there are any questions on the budget, please contact:

Seef LeRoux
CliftonLarsonAllen LLP
121 South Tejon Street, Ste. 1100
Colorado Springs, CO 80903
Tel.: 719-635-0330

I, S. Alan Vancil as Secretary of The Sands Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: S. Alan Vancil

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
THE SANDS METROPOLITAN DISTRICT NO. 1

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SANDS METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of The Sands Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 2, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$10,587; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 0 ; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$42,348 ; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatement is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 1,010,190; and

WHEREAS, at an election held on November 8, 2016, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANDS METROPOLITAN DISTRICT NO. 1 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Sands Metropolitan District No. 1 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 10.480 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 41.921 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 2nd day of November, 2023.

THE SANDS METROPOLITAN DISTRICT NO. 1

Jeff Mark

President

ATTEST:

S. Alan Vancil

Secretary

The Sands Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022	12/31/2023	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 39,400	\$ 59,412	\$ 60,942
REVENUES			
Property Tax	1,179	9,325	10,587
Specific Ownership Tax	123	966	1,059
Setup Fee	4,350	7,650	2,000
Setup Fee - District #4	-	1,050	6,000
Status Letter	3,100	2,650	1,000
Status Letter - District #4	-	2,250	3,000
Design Fee	250	-	-
Homeowner Fees - District #2	50,804	35,000	55,200
Homeowner Fees - District #4	-	15,000	49,800
Homeowner Fines	1,753	905	-
Intergovernmental revenue from District #2	79,841	92,538	120,730
Intergovernmental revenue from District #4	6,229	11,897	33,031
Total Revenues	147,629	179,230	282,407
EXPENDITURES			
General Management			
County Collection Fee - 1.5% of Property Tax	18	140	159
Accounting	3,148	10,000	11,000
Legal	16,259	10,000	11,000
District Management - District #2	22,577	30,163	36,432
District Management - District #4	-	-	20,040
Insurance	4,074	5,142	8,000
Setup Fee	4,350	7,650	2,000
Setup Fee - District #4	-	1,050	6,000
Status Letter	3,100	2,650	1,000
Status Letter - District #4	-	2,250	3,000
Design Fee	250	-	-
Dues and subscriptions	954	736	1,100
Contingency Expenses	381	5,000	5,000
Total General Management	55,111	74,781	104,731
Maintenance			
Landscape maintenance - District #2	36,300	37,752	44,000
Landscape maintenance - District #4	-	17,100	26,500
Drainage maintenance - Stormwater fees	5,140	3,067	3,200
Landscape repairs - District #2	9,219	5,000	5,000
Landscape repairs - District #4	-	5,000	5,000
Landscape water - District #2	17,173	15,000	17,000
Landscape water - District #4	-	19,000	20,000
Snow Removal	705	1,000	1,000
Streetlights	3,969	-	-
Total Maintenance	72,506	102,919	121,700
Total Expenses	127,617	177,700	226,431
Excess of Revenues over Expenditures	20,012	1,530	55,976
NET CHANGE IN FUND BALANCE	20,012	1,530	55,976
ENDING FUND BALANCE	\$ 59,412	\$ 60,942	\$ 116,918
Emergency Reserve - 3% of Revenues	\$ 4,429	\$ 5,377	\$ 8,472
Unrestricted Fund Balance	54,983	55,565	108,446

The Sands Metropolitan District No. 1			
Capital Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022	12/31/2023	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 229	\$ 229	\$ 229
REVENUES			
Property Tax	4,717	37,300	42,348
Specific Ownership Tax	491	3,863	4,235
Intergovernmental revenue from District 4	-	-	6,450,000
Contingency	-	-	10,000
Total Revenues	5,208	41,163	6,506,583
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	71	560	635
Development Costs - District 4	-	-	6,450,000
Contingency Expense	-	-	10,000
Total Capital Expenditures	71	560	6,460,635
Excess of Revenues over Expenditures	5,137	40,603	45,948
Transfer to District 2 Debt Service Fund	(5,137)	(40,603)	(45,948)
NET CHANGE IN FUND BALANCE	-	-	-
ENDING FUND BALANCE	\$ 229	\$ 229	\$ 229

The Sands Metropolitan District No. 1 - 4					
Property Taxes					
2023 Valuations for 2024 Taxes					
		District #	District #	District #	District #
		358	359	360	361
	Combined	District No. 1	District No. 2	District No. 3	District No. 4
Vacant Residential Land - Market Value	8,612,344	570,294	42,304	1,015,378	6,984,368
Percentage	29%	28%	28%	28%	28%
Assessed Value	2,403,440	159,100	11,800	283,290	1,949,250
Residential Land & Improvements - Market Value	125,643,951	-	124,392,171	-	1,251,780
Percentage	6.70%	6.95%	6.70%	6.95%	6.95%
Assessed Value	8,418,090		8,334,220	-	83,870
Commercial	16,060,602	3,050,500	3,709	13,006,393	2,966,164
Percentage	29%	28%	28%	28%	28%
Assessed Value	5,308,450	851,090	1,030	3,628,780	827,550
Natural Resources					279
Percentage					29%
Assessed Value					80
State Assessed	-	-	15,020	13,980	65,880
Percentage	29%	29%	28%	28%	29%
Assessed Value	26,470	-	4,190	3,900	18,380
Total Assessed Value	16,156,450	1,010,190	8,351,240	3,915,970	2,879,130
Mill Levies		52.401	66.621	36.768	52.870
Property Tax to be paid	905,505	52,935	556,368	143,982	152,220
Property Tax based on Mill Levy					
Debt Service	566,872		445,096		121,776
Contractual Obligations	186,330	42,348		143,982	
Operations & Maintenance	152,303	10,587	111,272	-	30,444
Total	905,505	52,935	556,368	143,982	152,220
Mill Levy Charged					
Debt Service			53.297		42.296
Contractual Obligations		41.921		36.768	
Operations & Maintenance		10.480	13.324	-	10.574
Total		52.401	66.621	36.768	52.870

**THE SANDS METROPOLITAN DISTRICT NO. 1
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Sands Metropolitan District No. 1 (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016 in El Paso County. The District, along with Districts 2 and 3, annexed into the City of Colorado Springs, CO in 2018. The District was established as part of a “Multiple District Structure” for The Sands community and is generally located as follows: (i) Districts 1, 2 and 3 are located adjacent and to the North and East of the intersection of Constitution Avenue and Marksheffel Road (“Constitution/Marksheffel Parcel”); and (ii) District No. 4 is located North East of the intersection of Marksheffel Rd. and Carefree Circle and East of Antelope Ridge in El Paso County, Colorado. Overall, the Districts’ proposed boundaries are estimated to include approximately 166.378 acres of land (more or less) in its initial boundaries (approximately 114.304 acres comprising the Constitution/Marksheffel Parcel and approximately 52.074 acres comprising the District 4, entirely within El Paso County, State of Colorado. Along with its companion Districts Nos. 2 and 3 (“Financing Districts”) this “Service District” was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

GENERAL FUND

REVENUES

1. The Homeowner Fees for District #2 are \$200 for 2024.
2. The Homeowner Fees for District #4 are \$300 for 2024.
3. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Operations and Maintenance at 10.480 mills.
4. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
5. Fees are charged by the Management company for the setup of new homeowner, to provide status letters to title companies and for design fees. These fees are then paid to the Management company.

**THE SANDS METROPOLITAN DISTRICT NO. 1
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

REVENUES – (continued)

6. Intergovernmental revenue is budgeted for General Fund tax revenue from The Sands Metropolitan Districts #2 and #4 transferred to District #1. Districts #2 has assessed 13.324 mills and District #4 has assessed 10.574 mills for Operations and Maintenance for 2024. The related property tax revenue and an allocation of specific ownership tax at 10% of the Property Tax are included in this budgeted revenue.

EXPENDITURES

Expenditures include the operating and maintenance costs for Districts #1 – #4 since all of the net operating tax revenues of Districts #2 – #4 are transferred to District #1 as intergovernmental revenue.

1. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
2. Legal fees are estimated based on the annual requirements of the District.
3. District Management costs are based on the contract with the Management Company.
4. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Insurance Pool.
5. Landscape maintenance, repairs and water are for maintenance of the common areas and drainage facilities within the Districts.
6. Streetlight costs include the electric utilities to operate them.
7. A contingency expense is budgeted at \$5,000 for unexpected expenses.

CAPITAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for District #1 Contractual Obligations at 41.921 mills.
2. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. The Capital Fund has development costs related to District #4 Capital Fund in 2024.
3. The Capital Fund has budgeted a transfer to District #2 Debt Fund of its Pledged Revenue to the District #2 Debt.

**THE SANDS METROPOLITAN DISTRICT NO. 1
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

DEBT AND LEASES

The District has no debt, nor any operating or capital leases.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.

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^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Contractual Obligation to The Sands Metropolitan District No. 2
Title: Capital Pledge Agreement
Date: September 15, 2020
Principal Amount: \$ 12,315,000
Maturity Date: December 1, 2050
Levy: 41.921
Revenue: \$ 42,348

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

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

Attached are the 2024 budget and budget message for THE SANDS METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 2, 2023. If there are any questions on the budget, please contact:

Seef LeRoux
CliftonLarsonAllen LLP
121 South Tejon Street, Ste. 1100
Colorado Springs, CO 80903
Tel.: 719-635-0330

I, S. Alan Vancil as Secretary of The Sands Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: S. Alan Vancil

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
THE SANDS METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SANDS METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of The Sands Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 2, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$111,272 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 445,096; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 8,351,240; and

WHEREAS, at an election held on November 8, 2016, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANDS METROPOLITAN DISTRICT NO. 2 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Sands Metropolitan District No. 2 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 13.324 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby

levied a tax of 53.297 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 2nd day of November, 2023.

THE SANDS METROPOLITAN DISTRICT NO. 2

Jeff Mark

President

ATTEST:

S. Alan Vancil

Secretary

The Sands Metropolitan District No. 2			
General Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022	12/31/2023	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Tax	73,292	85,009	111,272
Interest on Delinquent Tax	27	6	-
Specific Ownership Tax	7,621	8,798	11,127
Contingency Income	-	-	200
Total Revenues	80,940	93,813	122,599
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	1,100	1,275	1,669
Intergov Expense - District 1 General Fund	79,841	92,538	120,730
Contingency Expense	-	-	200
Total Expenses	80,941	93,813	122,599
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

The Sands Metropolitan District No. 2			
Debt Service Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022	12/31/2023	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 2,815	\$ 6,023	\$ 1,829
REVENUES			
Property Tax	293,164	340,037	445,096
Interest on Delinquent Tax	107	25	-
Specific Ownership Tax	30,483	35,184	44,510
Intergov Revenue District No. 1 Capital Fund	5,137	40,603	45,948
Intergov Revenue District No. 3 Capital Fund	72,712	101,059	156,220
Intergov Revenue District No. 4 Capital Fund	1,004	-	-
Contingency Income	-	-	1,000
Total Revenues	402,607	516,907	692,774
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	4,399	5,101	6,676
Bond interest expense	395,000	516,000	656,000
Contingency Expense	-	-	1,000
Total Expenses	399,399	521,101	663,676
Excess of Revenues over Expenditures	3,208	(4,194)	29,098
ENDING FUND BALANCE	\$ 6,023	\$ 1,829	\$ 30,927

The Sands Metropolitan District No. 1 - 4					
Property Taxes					
2023 Valuations for 2024 Taxes					
		District #	District #	District #	District #
		358	359	360	361
	Combined	District No. 1	District No. 2	District No. 3	District No. 4
Vacant Residential Land - Market Value	8,612,344	570,294	42,304	1,015,378	6,984,368
Percentage	29%	28%	28%	28%	28%
Assessed Value	2,403,440	159,100	11,800	283,290	1,949,250
Residential Land & Improvements - Market Value	125,643,951	-	124,392,171	-	1,251,780
Percentage	6.70%	6.95%	6.70%	6.95%	6.95%
Assessed Value	8,418,090		8,334,220	-	83,870
Commercial	16,060,602	3,050,500	3,709	13,006,393	2,966,164
Percentage	29%	28%	28%	28%	28%
Assessed Value	5,308,450	851,090	1,030	3,628,780	827,550
Natural Resources					279
Percentage					29%
Assessed Value					80
State Assessed	-	-	15,020	13,980	65,880
Percentage	29%	29%	28%	28%	29%
Assessed Value	26,470	-	4,190	3,900	18,380
Total Assessed Value	16,156,450	1,010,190	8,351,240	3,915,970	2,879,130
Mill Levies		52.401	66.621	36.768	52.870
Property Tax to be paid	905,505	52,935	556,368	143,982	152,220
Property Tax based on Mill Levy					
Debt Service	566,872		445,096		121,776
Contractual Obligations	186,330	42,348		143,982	
Operations & Maintenance	152,303	10,587	111,272	-	30,444
Total	905,505	52,935	556,368	143,982	152,220
Mill Levy Charged					
Debt Service			53.297		42.296
Contractual Obligations		41.921		36.768	
Operations & Maintenance		10.480	13.324	-	10.574
Total		52.401	66.621	36.768	52.870

**THE SANDS METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Sands Metropolitan District No. 2 (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016 in El Paso County. The District, along with Districts 1 and 3, annexed into the City of Colorado Springs, CO in 2018 and have their own Service Plan. District 4 is in El Paso County and is governed by a separate Service Plan. The District was established as part of a “Multiple District Structure” for The Sands community and is generally located as follows: (i) Districts 1, 2 and 3 are located adjacent and to the North and East of the intersection of Constitution Avenue and Marksheffel Road (“Constitution/Marksheffel Parcel”); Overall, the Districts’ proposed boundaries are estimated to include approximately 114.304 acres of land (more or less) in its initial boundaries entirely within the City of Colorado Springs, El Paso County, State of Colorado. Along with its companion Districts Nos. 1 and 3, this “Service District” was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

GENERAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Operations and Maintenance at 13.324 mills.
2. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Contingency income is budgeted for possible additional specific ownership taxes.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Net tax revenues are paid as Intergovernmental Expenses to the General Fund in The Sands Metropolitan District # 1.
3. Contingency expense is budgeted for possible additional intergovernmental expenses.

**THE SANDS METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

CAPITAL FUND

REVENUES & EXPENDITURES

No revenues or expenditures are budgeted for the Capital Fund for 2024.

DEBT SERVICE FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Debt Service at 5.297 mills.
2. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Intergovernmental revenue is budgeted from Districts #1 and #3 for their pledged revenue to the District #2 debt.
4. Contingency income is budgeted for possible additional specific ownership taxes.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Bond interest is based on the available funds to pay the interest.
3. Contingency Expense is budgeted for possible additional interest expense.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues. Since substantially all funds received by the District are transferred to The Sands Metropolitan District # 2, an emergency reserve is not reflected in the District's budget.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.
2. There are no operating or capital lease obligations of the District.

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^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Public Infrastructure |
| | Series: | Limited Tax General Obligation Bonds, Series 2020 |
| | Date of Issue: | September 24, 2020 |
| | Coupon Rate: | 5.50% |
| | Maturity Date: | December 1, 20501 |
| | Levy: | 53.297 |
| | Revenue: | \$ 445,096 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

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

Attached are the 2024 budget and budget message for THE SANDS METROPOLITAN DISTRICT NO. 3 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 2, 2023. If there are any questions on the budget, please contact:

Seef LeRoux
CliftonLarsonAllen LLP
121 South Tejon Street, Ste. 1100
Colorado Springs, CO 80903
Tel.: 719-635-0330

I, Jarrett Armstrong as President of The Sands Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Jarrett Armstrong

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
THE SANDS METROPOLITAN DISTRICT NO. 3**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SANDS METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of The Sands Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 2, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 143,982; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 3,915,970 ; and

WHEREAS, at an election held on November 8, 2016, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANDS METROPOLITAN DISTRICT NO. 3 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Sands Metropolitan District No. 3 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense 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 for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby

levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 36.768 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 2nd day of November, 2023.

THE SANDS METROPOLITAN DISTRICT NO. 3

Garrett Armstrong

President

ATTEST:

Kathryn Sorensen

Secretary

The Sands Metropolitan District No. 3			
Capital Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022	12/31/2023	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Tax	66,771	93,764	143,982
Specific Ownership Tax	6,942	9,701	14,398
Contingency Income	-	-	1,000
Total Revenues	73,714	103,465	159,380
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	1,002	1,406	2,160
Intergovernmental Expense - District 2 Debt Fund	72,712	101,059	156,220
Contingency Expense		1,000	1,000
Total Expenses	73,714	103,465	159,380
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

The Sands Metropolitan District No. 1 - 4					
Property Taxes					
2023 Valuations for 2024 Taxes					
		District #	District #	District #	District #
		358	359	360	361
	Combined	District No. 1	District No. 2	District No. 3	District No. 4
Vacant Residential Land - Market Value	8,612,344	570,294	42,304	1,015,378	6,984,368
Percentage	29%	28%	28%	28%	28%
Assessed Value	2,403,440	159,100	11,800	283,290	1,949,250
Residential Land & Improvements - Market Value	125,643,951	-	124,392,171	-	1,251,780
Percentage	6.70%	6.95%	6.70%	6.95%	6.95%
Assessed Value	8,418,090	-	8,334,220	-	83,870
Commercial	16,060,602	3,050,500	3,709	13,006,393	2,966,164
Percentage	29%	28%	28%	28%	28%
Assessed Value	5,308,450	851,090	1,030	3,628,780	827,550
Natural Resources					279
Percentage					29%
Assessed Value					80
State Assessed	-	-	15,020	13,980	65,880
Percentage	29%	29%	28%	28%	29%
Assessed Value	26,470	-	4,190	3,900	18,380
Total Assessed Value	16,156,450	1,010,190	8,351,240	3,915,970	2,879,130
Mill Levies		52.401	66.621	36.768	52.870
Property Tax to be paid	905,505	52,935	556,368	143,982	152,220
Property Tax based on Mill Levy					
Debt Service	566,872		445,096		121,776
Contractual Obligations	186,330	42,348		143,982	
Operations & Maintenance	152,303	10,587	111,272	-	30,444
Total	905,505	52,935	556,368	143,982	152,220
Mill Levy Charged					
Debt Service			53.297		42.296
Contractual Obligations		41.921		36.768	
Operations & Maintenance		10.480	13.324	-	10.574
Total		52.401	66.621	36.768	52.870

**THE SANDS METROPOLITAN DISTRICT NO. 3
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Sands Metropolitan District No. 3 (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016 in El Paso County. The District, along with Districts 1 and 2, annexed into the City of Colorado Springs, CO in 2018 and have their own Service Plan. District 4 is in El Paso County and is governed by a separate Service Plan. The District was established as part of a “Multiple District Structure” for The Sands community and is generally located as follows: (i) Districts 1, 2 and 3 are located adjacent and to the North and East of the intersection of Constitution Avenue and Marksheffel Road (“Constitution/Marksheffel Parcel”); Overall, the Districts’ proposed boundaries are estimated to include approximately 114.304 acres of land (more or less) in its initial boundaries entirely within the City of Colorado Springs, El Paso County, State of Colorado. Along with its companion Districts Nos. 1 and 2 this “Service District” was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

GENERAL FUND

REVENUES & EXPENDITURES

No revenues or expenditures are budgeted for the General Fund for 2024.

CAPITAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Contractual Obligations at 36.768 mills.
2. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Contingency income is budgeted for possible additional specific ownership taxes.

**THE SANDS METROPOLITAN DISTRICT NO. 3
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

CAPITAL FUND – (continued)

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Net tax revenues are paid as Intergovernmental Expenses to the Debt Service Fund in The Sands Metropolitan District #2.
3. Contingency expense is budgeted for possible additional intergovernmental expenses.

DEBT AND LEASES

The District has no debt, nor any operating or capital leases.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues. Since substantially all funds received by the District are transferred to The Sands Metropolitan District # 2, an emergency reserve is not reflected in the District's budget.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the The Sands Metropolitan District No. 3,

the Board of Directors (taxing entity)^A

of the The Sands Metropolitan District No. 3 (governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 3,915,970
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies 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: \$ 3,915,970
(NET^G 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: 01/01/2024 for budget/fiscal year 2024.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	<u>36.768</u> mills	\$ <u>143,982</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	36.768 mills	\$ 143,982

Contact person: Seef Le Roux Phone: (719)635-0330
Signed: Seef Le Roux Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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.

¹ 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.

² 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).

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^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Contractual Obligation to The Sands Metropolitan District No. 2
Title: Capital Pledge Agreement
Date: September 24, 2020
Principal Amount: \$ 12,315,000
Maturity Date: December 1, 2050
Levy: 36.768
Revenue: \$ 143,982

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT B
CERTIFICATION OF EXTERNAL FINANCIAL ADVISOR

*The Sands Metropolitan District No. 2
In the City of Colorado Springs, El Paso County, Colorado*

*\$12,315,000
Limited Tax
General Obligation Bonds
Series 2020*

CERTIFICATE OF EXTERNAL FINANCIAL ADVISOR

August 18, 2020

This Certificate of External Financial Advisor (this “Certificate”) is furnished by Piper Sandler & Co. (“Piper”) in connection with the issuance by The Sands Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado (the “District”), of its Limited Tax General Obligation Bonds, Series 2020, in the aggregate principal amount of \$12,315,000 (the “Bonds”), pursuant to a resolution to be adopted by the Board of Directors of the District (the “Authorizing Resolution”). In connection with the issuance of the Bonds, the undersigned hereby certifies on behalf of Piper as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Authorizing Resolution):

1. The undersigned is duly authorized by all applicable laws, rules, regulations and corporate documents to make the representations contained herein on behalf of Piper.

2. Piper has provided certain services to the District in connection with the structuring and issuance of the Bonds.

3. Piper is a consultant that (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) is an underwriter, investment banker or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (iii) is not an officer or employee of the District and, other than as set forth in paragraph 2 above, has not been otherwise engaged to provide services in connection with the issuance of the Bonds.

4. Piper is an External Financial Advisor within the meaning of the District’s Service Plan.

5. Piper is of the opinion that the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the Bonds does not exceed a reasonable current tax-exempt interest rate using criteria deemed appropriate by us and based upon our analysis of comparable high yield securities.


6. Piper is of the opinion that the structure of the Bonds, including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Piper understands that this Certificate forms a part of the basis for the opinion, dated the date hereof, of Kline Alvarado Veio, P.C., as bond counsel, to the effect that the interest on the Bonds is excluded from the gross income of the recipients thereof for purposes of federal income taxation under existing laws, regulations, rulings and judicial decisions; provided, however, that (a) nothing herein represents Piper's interpretation of any laws, including, without limitation, any provisions of Section 148 of the Code or the regulations thereunder, (b) Piper makes no representation as to the legal sufficiency of the representations of fact set forth herein, (c) Piper makes no representation as to any conclusions of law made by bond counsel; and (d) this Certificate may be relied upon by bond counsel for the purposes stated above.

[Signature page follows]

IN WITNESS WHEREOF, Piper has caused this Certificate of External Financial Advisor to be executed in its name and on its behalf by its authorized officer as of the date first above written.

PIPER SANDLER & CO.

By:  _____
Authorized Officer
Marc T. Ragan
Vice President