

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Robert N. Martin	President	2025/May 2025
Stanley DePue	Treasurer	2023/May 2023
William Paris	Assistant Secretary	2023/May 2023
Nancy Boehler	Assistant Secretary	2023/May 2023
Eric Kubly	Assistant Secretary	2025/May 2025
Ann E. Finn	Secretary	Not an elected position

DATE: October 10, 2022

TIME: 1:30 p.m.

PLACE: Philip S. Miller Library
GSWC Conference Room
100 S. Wilcox Street
Castle Rock, Colorado 80104

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

C. Review and approve the Minutes of the June 13, 2022 Regular Meeting (enclosure).

D. Discuss business to be consider in 2023 and location (**virtual and/or physical**) of meetings. Schedule regular meeting dates (suggested dates are June 12, 2022 and October 9, 2022) and consider adoption of Resolution No. 2022-10-___; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).

E. Discuss status of District website.

1. Consider approval Subscription Agreement with TownCloud for creation of the District website (enclosure).
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2. Consider authorizing the termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority and all associated documents for website services.
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II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person.
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III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims as follows (enclosures):

Fund	Period ending June 30, 2022	Period ending July 31, 2022	Period ending August 31, 2022	Period ending Sept. 30, 2022
General	\$ 1,061.00	\$ 5,188.88	\$ 16,094.06	\$ 8,521.30
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 1,061.00	\$ 5,188.88	\$ 16,094.06	\$ 8,521.30

- B. Review and accept unaudited quarterly financial statements through the period ending August 31, 2022 and the schedule of cash position statement dated August 31, 2022 (enclosure).
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- C. Consider engagement of Dazzio & Associates, PC for preparation of 2022 Audit, in the amount of \$5,100 (enclosure).
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- D. Conduct Public Hearing to consider Amendment to 2022 Budget (if necessary, consider adoption of Resolution No. 2022-10-__, Resolution to Amend the 2022 Budget and Appropriate Expenditures.
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- E. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution No. 2022-10-__, Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-10-__, Resolution of The Villages at Castle Rock Metropolitan District No. 6 to Set Mill Levies (enclosures – preliminary AV, draft 2023 Budget, and Resolutions).
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- F. Consider adoption of 2022-10-__, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (enclosure).
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- G. Consider authorizing the District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.
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- H. Consider appointment of District Accountant to prepare 2024 Budget.
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IV. LEGAL MATTERS

- A. Discuss May 2, 2023 Regular Director Election and consider adoption of Resolution No. 2022-10-__, Resolution Calling May 2, 2023 for Directors, appointing Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election. Self-Nomination forms are due by February 24, 2023 (enclosure). Discuss the need for ballot issues and/or questions.
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- B. Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2023 SDA Website).
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- C. Discuss Intergovernmental Agreement with Town of Castle Rock concerning fire protection and emergency services.
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V. OPERATION AND MAINTENANCE

- A. Discuss status of detention pond maintenance work. Authorize termination of Service Agreement with All Phase Landscape Construction, Inc.
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VI. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2022.**

Additional Enclosures:

- Notice of rate increase from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
HELD
JUNE 13, 2022**

A Special Meeting of the Board of Directors of The Villages at Castle Rock Metropolitan District No. 6 (referred to hereafter as the “Board”) was convened on Monday, the 13th day of June, 2022, at 1:30 p.m.

The District Board meeting was held via Zoom Meeting. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Robert N. Martin
Stanley DePue
William Paris
Nancy Boehler
Eric Kubly

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that conflict disclosure statements for Directors Kubly and Martin were filed, and no additional disclosures were made at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed Agenda for the District’s Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Agenda was approved, as amended.

Meeting Location/Manner and Posting of Meeting Notice: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The District Board meeting was held via Zoom Meeting.

Ms. Finn reported that notice was duly posted and that no objections to the meeting or any requests that meeting be changed by taxpaying electors within the District boundaries have been received.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler, and upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District as least 24 hours prior to each meeting at the following location: at the Recreation Center, 7846 Oasis Drive, Castle Rock, CO 80108.

Minutes: The Board reviewed the Minutes of the October 11, 2021 Special Meeting.

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Minutes of the October 11, 2021 Special Meeting were approved.

May 3, 2022 Election: Ms. Finn advised the Board that the May 3, 2022 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. It was noted that Directors Kubly and Martin were each deemed elected to 3-year terms ending in May, 2025.

Appointment of Officers: The Board entered into discussion regarding appointment of officers.

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the following slate of officers were appointed:

RECORD OF PROCEEDINGS

President	Robert N. Martin
Treasurer	Stanley DePue
Secretary	Ann Finn
Assistant Secretary	William Paris
Assistant Secretary	Nancy Boehler
Assistant Secretary	Eric Kubly

2022 SDA Conference: Ms. Finn discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of payment of claims as follows:

Fund	Period ending Oct. 31, 2021	Period ending Nov 30, 2021	Period ending Dec. 31, 2021	Period ending Jan. 31, 2022
General	\$ 4,996.98	\$ 9,879.49	\$ 14,493.30	\$ 12,499.36
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,996.98	\$ 9,879.49	\$ 14,493.30	\$ 12,499.36

Fund	Period ending Feb. 28, 2022	Period ending March 31, 2022	Period ending April 30, 2022	Period ending May 31, 2022
General	\$ 3,607.54	\$ 2,696.77	\$ 9,243.78	\$ 380,451.83
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 3,607.54	\$ 2,696.77	\$ 9,243.78	\$ 380,451.83

Following review and discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims.

Unaudited Financial Statements and Schedule of Cash Position: Ms. Ross discussed with the Board the unaudited financial statements, dated March 31, 2022 and the schedule of cash position, dated May 1, 2022.

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated March 31, 2022 and the schedule of cash position, dated May 1, 2022.

RECORD OF PROCEEDINGS

2021 Audit: Ms. Ross reviewed the 2021 draft Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board approved the 2021 Audited Financial Statements and authorized execution of the Representations Letter, subject to final review by legal counsel and receipt of an unmodified opinion letter by the Auditor.

Master Service Agreement with CLA: Ms. Ross reviewed with the Board a Master Service Agreement with CLA.

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Board ratified approval of the Master Service Agreement with CLA.

LEGAL MATTERS

Intergovernmental Agreement (“IGA”) with Town of Castle Rock Concerning Fire Protection and Emergency Services: Attorney McGeady discussed with the Board the IGA with Town of Castle Rock concerning fire protection and emergency services. Following discussion, the Board authorized Attorney McGeady to contact the Town of Castle Rock to discuss possible reduction in the mill levy related to IGA.

OPERATION AND MAINTENANCE

Detention Pond Maintenance Work: Ms. Finn noted for the Board that the maintenance is scheduled for June 20, 2022 and SDMS will inspect the work when it is complete.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2022-10-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (the “**District**”), Douglas County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on June 12, 2023 at 1:30 p.m. via Zoom Meeting and October 9, 2023 at 1:30 p.m., at Philip S. Miller Library, 100 South Wilcox Street, Castle Rock, Colorado 80104.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, www._____, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Recreation Center, 7846 Oasis Drive, Castle Rock, Colorado 80108

9. Eric Kubly, or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on October 10, 2022.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

Secretary



TownCloud

QUOTE

Company Address 555 Eldorado Blvd. Suite 100
 Broomfield, Colorado 80021
 United States

Created Date 8/30/2022
 Expiration Date 9/15/2022
 Quote Number 00000697

Description Retail Cost:
 \$350 - one-time setup fee
 \$99/mo - subscription up to 5 admin

3 Year Prepaid Subscription Special Offer
 - \$350 startup fee waived
 - 30% subscription discount for first 3 years

Prepared By Chris Haywood
 Phone (720) 722-0349
 Email chaywood@towncloud.com

Contact Name Ann E. Finn
 Phone 303-987-0835
 Email afinn@sdmsi.com


Bill To Name Villages At Castle Rock Metropolitan District No.
 6

Bill To 141 Union Boulevard
 Suite 150
 Lakewood, Colorado 80228
 United States

Product	List Price	Sales Price	Quantity	Discount	Total Price
Website Startup Fee (per site)	\$350.00	\$350.00	1.00	100.00%	\$0.00
Website Subscription (per year)	\$1,188.00	\$1,188.00	3.00	30.00%	\$2,494.80

Total Price \$2,494.80

By signing below, I acknowledge that I have read and agree to the TownCloud, Inc. **Subscription Services Agreement** located at <https://towncloud.com/subscription-services-agreement/>.

	
Customer Signature	TownCloud Signature
	Christopher Haywood, Manager
Printed Name & Title	Printed Name & Title

Billing Email and any special instructions:

Subscription Services Agreement

TownCloud, Inc. (“**TownCloud**”) has developed certain technology, as further described below, to provide municipalities with application based management services. This Subscription Services Agreement (this “**Agreement**”) sets forth the terms and conditions under which TownCloud will provide the Services (as defined below). Please read this Agreement carefully. By clicking “I AGREE” or by using or accessing the TownCloud System, you, on behalf of the municipality you represent (referred to herein as the “**Customer**”) acknowledge that you have read and accept the terms and conditions of this Agreement in its entirety.

1. **Definitions.**

- 1.1. “**TownCloud System**” means TownCloud’s Internet cloud-based application software platform for use by local governments and municipalities to which Customer is granted access in accordance with this Agreement.
- 1.2. “**Customer Data**” means all data and information submitted to TownCloud by Customer either by an End User or a Public User in connection with the Services.
- 1.3. “**Documentation**” means TownCloud’s user manuals, handbooks, online materials, or service specifications furnished by TownCloud that describe the features, functionality or operation of the Services.
- 1.4. “**End Users**” means any employee, contractor or other representative of Customer who are authorized by Customer to use the Services on behalf of Customer.
- 1.5. “**Public Users**” means members of the general public who have been granted access to certain publically accessible portions of the TownCloud System (as described in the Documentation) as determined and controlled by Customer.
- 1.6. “**Services**” means the subscription-based software-as-a-service solution delivered via the TownCloud System as made available by TownCloud pursuant to this Agreement, in configurations and including those software applications included as part of Customer’s Subscription package.
- 1.7. “**Subscription**” means an enrollment for the Services as set forth in this Agreement.

2. **Services.** This Agreement governs Customer’s access to and use of the TownCloud System on a Subscription basis during the applicable Subscription term (as defined in Section 6). The Services and TownCloud System are accessed via a web browser interface and are made available through TownCloud’s third party web hosting service provider. This Agreement shall govern all Services purchased by Customer from TownCloud. Subscriptions may be purchased online through TownCloud’s website. By ordering a Subscription, Customer agrees to the system configurations and limitations applicable to that Subscription.

3. **Rights and Restrictions.**

- 3.1. **Right to Use and Licenses.** Subject to the terms and conditions of this Agreement, TownCloud grants to Customer, during the applicable Subscription term, a non-exclusive, non-transferable, non-sublicensable right to access and use the TownCloud System, and any related Documentation, as made available to Customer by TownCloud as part of the Services purchased by Customer and in accordance with the Documentation and the terms and conditions of this Agreement.

- 3.2. **Restrictions.** TownCloud grants Customer the right to access and use the Services solely for Customer's internal business purposes, as further described in this Agreement. The TownCloud System may only be accessed and used by the number of End Users specified in the applicable Subscription purchased by Customer. Customer agrees not to: (a) reverse engineer, decompile or disassemble any part of the TownCloud System, or work around technical limitations in the Services, except to the extent permitted by applicable law; (b) disable, tamper with, or otherwise attempt to circumvent any billing mechanism that meters use of the Services; (c) rent, lease, lend, resell, transfer the Services, or any portion thereof, to or for third parties except as expressly permitted in this Agreement, or otherwise use the Services for the benefit of a third party or to operate a service bureau; (d) attempt to probe, scan, penetrate or test the vulnerability of the TownCloud System or any network used by TownCloud to deliver the Services, or to breach TownCloud's security or authentication measures, whether by passive or intrusive techniques, unless agreed upon by both parties in writing; or (e) otherwise use the Services in any manner that exceeds the scope of use permitted hereunder.
- 3.3. **End User Accounts; Public Users.** Customer is responsible for all activities that occur under Customer's End User accounts that would constitute a violation of the terms of this Agreement. In addition, Customer controls and is solely responsible for any use of or access to the TownCloud System by any Public Users, including any access to Customer Data or any information that a Public User provides in connection with such use. Customer is responsible for maintaining the confidentiality of any non-public authentication credentials associated with its use of the Services. Customer agrees to promptly notify TownCloud of any misuse of authentication credentials or of any unauthorized use of or access to Customer Data of which it becomes aware.
- 3.4. **Customer Data.** TownCloud, through its third party hosting service provider, uses commercially reasonable methods to protect Customer Data against unauthorized access or use. However, Customer must secure and maintain all rights in Customer Data necessary for TownCloud to provide the Services without violating the rights of any third party, including any privacy rights, and is responsible for any consents required for such Customer Data, and Customer is responsible for compliance with any laws or regulations applicable to the storage of Customer Data and any publication of or access to Customer Data granted by Customer.
4. **Support.** As part of the Services, TownCloud will provide limited front-line support to Customer and its End Users and representatives identified in Customer's service package as described on the TownCloud website. Customer is solely responsible for supporting any Public User's access to the TownCloud System or Services as permitted hereunder.
5. **Fees; Payment; Taxes.** Customer shall pay TownCloud the monthly, non-refundable Service fees set forth in the pricing schedule applicable to Customer's Subscription package, as described on the TownCloud website ("Fees"). TownCloud reserves the right to increase the Fees applicable to any Renewal Term (as defined in Section 6 hereof). The method of payment is established by Customer at the time of the Subscription purchase. If Customer pays by credit card, Customer authorizes TownCloud to charge Customer for the Fees using the credit card information provided by Customer. TownCloud charges and collects Fees in advance, and TownCloud will automatically renew monthly Subscriptions and charge Customer for any Renewal Term, unless other terms are agreed to by TownCloud. Customer shall be responsible for all taxes associated with Services other than taxes based on TownCloud's net income. Customer agrees to provide TownCloud with

complete and accurate billing and contact information, including Customer's legal name, street address, e-mail address, credit card information and name and telephone number of an authorized billing contact. Customer agrees to update this information within five (5) business days of any changes. If the contact information provided is false or fraudulent or if a credit card charge is denied, TownCloud reserves the right to terminate access to the Services in addition to any other legal remedies. TownCloud may charge interest for all outstanding balances at a rate equal to the lesser of one and one half percent (1½%) per month or the maximum rate permitted by applicable law, from the due date until paid.

6. **Term and Termination.** Each Subscription has a term of thirty (30) days and will be automatically renewed for successive thirty (30) day periods (each, a "Renewal Term"). Customer may terminate the Agreement by giving written notice to TownCloud through methods described in the TownCloud website. TownCloud may terminate this Agreement and Customer's access to the Services immediately if Customer is in breach of any of the terms hereof or at any time exceeds the scope of use permitted hereunder. Upon termination or expiration of this Agreement for any reason; (a) any amounts owed to TownCloud under this Agreement will be immediately due and payable; (b) all rights granted to Customer in this Agreement will immediately cease to exist, and (c) Customer must promptly discontinue all use of the TownCloud System. Termination of a Subscription includes removal of access to the all Services, and, unless otherwise agreed to by TownCloud, will result in the return or deletion of all Customer Data and the deletion of all login data, password and all related information. TownCloud will not be obligated to provide refunds for any Fees previously paid by Customer for any termination of this Agreement. Sections 7 through 12 together with any accrued payment obligations, will survive expiration or termination of the Agreement for any reason.
7. **Ownership.** The TownCloud System and Documentation, including all copies, improvements, enhancements, modifications and derivative works thereof, and all worldwide intellectual property rights and other proprietary rights relating thereto or embodied therein, are the exclusive property of TownCloud and its licensors and suppliers. TownCloud and its licensors and suppliers reserve all rights in and to the TownCloud System not expressly granted to Customer in this Agreement, and no other licenses or rights are granted by implication, estoppel or otherwise.
8. **Confidentiality.** Each party acknowledges that, in the course of performing its duties under this Agreement, it may obtain business, technical or financial information relating to the other party, all of which is confidential and proprietary ("Proprietary Information"). Each party and its employees and agents shall, at all times, both during the term of this Agreement and after its termination, keep in trust and confidence all such Proprietary Information, and shall not use such Proprietary Information other than in the course of its duties as expressly provided in this Agreement; nor shall such party or its employees or agents disclose any such Proprietary Information to any person without the other party's prior written consent. Each party acknowledges that its breach of this Section may cause irreparable damage to the other party and hereby agrees that the disclosing party will be entitled to seek injunctive relief under this Section, as well as such further relief as may be granted by a court of competent jurisdiction. A party's obligations under Section 8 with respect to any Proprietary Information of the other party will terminate if such information: (a) was already known to the recipient at the time of disclosure; (b) was disclosed to the recipient by a third party who had the right to make such disclosure without any confidentiality restrictions; or (c) is, or through no fault of the recipient has become, generally available to the public. In addition, recipient

will be allowed to disclose Proprietary Information to the extent that such disclosure is required by law (including a disclosure required under a valid Freedom of Information Act request) or by the order of a court of similar judicial or administrative body, provided that the recipient notifies the discloser of such required disclosure promptly and in writing and cooperates with the discloser, at the discloser's request and expense, in any lawful action to contest or limit the scope of such required disclosure.

9. **Warranties and Disclaimers.** TOWNCLOUD PROVIDES NO WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND TOWNCLOUD DOES NOT GUARANTEE THAT THE USE OF THE SERVICES AND ACCESS TO THE CUSTOMER DATA WILL BE UNINTERRUPTED OR ERROR-FREE. THE LIMITATIONS SET FORTH ABOVE ARE FUNDAMENTAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN TOWNCLOUD AND CUSTOMER AND THE SERVICES WOULD NOT BE PROVIDED WITHOUT SUCH LIMITATIONS. THESE DISCLAIMERS WILL APPLY EXCEPT TO THE EXTENT APPLICABLE LAW DOES NOT PERMIT THEM.
10. **Limitation of Liability.** TownCloud's aggregate liability for all claims asserted under this Agreement is limited to direct damages paid under this Agreement for one (1) month of Services. OTHER THAN LIABILITY ARISING UNDER A PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 11 HEREOF, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR LOSS OF REVENUE OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, OR DAMAGES FOR LOST PROFITS, REVENUES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION, EVEN IF THE OTHER PARTY KNEW THEY WERE POSSIBLE OR REASONABLY FORESEEABLE. THESE LIMITATIONS AND EXCLUSIONS APPLY EVEN IF THIS REMEDY DOES NOT FULLY COMPENSATE THE OTHER PARTY FOR ANY LOSSES OR FAILS OF ITS ESSENTIAL PURPOSE.
11. **Indemnity.** Customer will defend at its own expense any claim or action brought by a third party against TownCloud, to the extent the claim or action arises from or is related to (a) Customer's use of the Services in any manner that breaches or violates the terms of this Agreement; (b) use of or access to the Services, the Customer Data or the TownCloud System by any End User or Public User; or (c) the negligence or willful misconduct of Customer, excluding any claim or action to the extent arising from a breach of the terms of this Agreement by TownCloud, and Customer will indemnify and hold TownCloud harmless from and against any losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising from or related to any such claim or action. TownCloud agrees to notify Customer promptly in writing of such action or claim; provided that failure to give such notice will not relieve Customer of its obligations hereunder except to the extent any delay compromises Customer's ability to defend such action or claim.
12. **General.** This Agreement is personal in nature and the Customer agrees not to assign or transfer any rights or delegate any obligations under this Agreement without TownCloud's prior written consent. Customer grants to TownCloud a limited, non-transferrable, worldwide license to use Customer's name and likeness on any marketing materials of TownCloud, including, but not limited to, TownCloud's website, to promote TownCloud's services. Except as expressly stated in this Agreement, any waiver, modification or amendment of any provision of this Agreement will be effective only if in form of a written amendment to this Agreement and agreed to by Customer and TownCloud either through signature or through an on-line acceptance form provided on the TownCloud website. Notwithstanding the foregoing, TownCloud may modify or amend the terms of this Agreement applicable to any Renewal Term by providing notice to Customer during the then-

current term via electronic mail or through the Services, and Customer's continued use of the Services will constitute acceptance of such modifications or amendments. In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable under present or future laws, then such provision will be fully severable and this Agreement will be construed and enforced as if such invalid, illegal or unenforceable provision were not a part hereof. This Agreement constitutes the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings and communication, whether written or oral. The terms of any purchase order or similar document submitted by Customer will have no effect. This Agreement will be governed and construed in accordance with the laws of the State of Colorado. Any action or proceeding arising from or relating to this Agreement shall be brought in a federal or state court in Denver, Colorado, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding.

Customer

Signature
Title
Printed Name
Date

Villages at Castle Rock Metropolitan District No. 6
June-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
MCGEADY BECHER P.C.	39M 4-2022	4/30/2022	4/30/2022	\$ 405.00	Legal	107460
Special District Mgmt. Services, Inc	May-22	5/31/2022	5/31/2022	\$ 522.80	District Management	107440
Special District Mgmt. Services, Inc	May-22	5/31/2022	5/31/2022	\$ 133.20	Election	107581
				\$ 1,061.00		

Villages at Castle Rock Metropolitan District No. 6
June-22

	General	Debt	Capital	Totals
Disbursements	\$ 1,061.00			\$ 1,061.00
	-			
Total Disbursements from Checking Account	\$ 1,061.00	\$ -	\$ -	\$ 1,061.00

Villages at Castle Rock Metropolitan District No. 6
 July-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3315641	5/31/2022	5/31/2022	\$ 2,627.52	Accounting	107000
MCGEADY BECHER P.C.	39M 5-2022	5/31/2022	5/31/2022	\$ 689.56	Legal	107460
Special District Mgmt. Services, Inc	Jun-22	6/30/2022	6/30/2022	\$ 1,842.20	District Management	107440
Special District Mgmt. Services, Inc	Jun-22	6/30/2022	6/30/2022	\$ 29.60	Election	107581
				\$ 5,188.88		

Villages at Castle Rock Metropolitan District No. 6
July-22

	General	Debt	Capital	Totals
Disbursements	\$ 5,188.88			\$ 5,188.88
	-			
Total Disbursements from Checking Accounts	\$ 5,188.88	\$ -	\$ -	\$ 5,188.88

Villages at Castle Rock Metropolitan District No. 6
August-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3347259	7/18/2022	7/18/2022	\$ 3,903.11	Accounting	107000
Dazzio & Associates, PC	560	7/30/2022	7/30/2022	\$ 4,900.00	Auditing	107020
MCGEADY BECHER P.C.	39M 6-2022	6/30/2022	6/30/2022	\$ 3,846.00	Legal	107460
MCGEADY BECHER P.C.	39M bond10-2021	7/19/2022	7/19/2022	\$ 525.00	Legal	107460
Special District Association	b4v7j2e	7/13/2022	7/13/2022	\$ 375.00	Miscellaneous	107480
Special District Association	bD25DBe	7/13/2022	7/23/2022	\$ 375.00	Miscellaneous	107480
Special District Mgmt. Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 2,110.75	District Management	107440
Special District Mgmt. Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 59.20	Election	107581
				\$ 16,094.06		

Villages at Castle Rock Metropolitan District No. 6
August-22

	General	Debt	Capital	Totals
Disbursements	\$ 16,094.06			\$ 16,094.06
	-			
Total Disbursements from Checking Accounts	\$ 16,094.06	\$ -	\$ -	\$ 16,094.06

Villages at Castle Rock Metropolitan District No. 6
September-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3373984	7/31/2022	7/31/2022	\$ 7,266.00	Accounting	107000
MCGEADY BECHER P.C.	39M 7-2022	7/31/2022	7/31/2022	\$ 427.50	Legal	107460
Special District Mgmt. Services, Inc	Aug-22	8/31/2022	8/31/2022	\$ 827.80	District Management	107440
				\$ 8,521.30		

Villages at Castle Rock Metropolitan District No. 6
September-22

	General	Debt	Capital	Totals
Disbursements	\$ 8,521.30			\$ 8,521.30
	-			
Total Disbursements from Checking Accounts	\$ 8,521.30	\$ -	\$ -	\$ 8,521.30

VILLAGES AT CASTLE ROCK METRO NO. 6

FINANCIAL STATEMENTS

AUGUST 31, 2022

VILLAGES AT CASTLE ROCK METRO NO. 6
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash - Checking	651,557	-	651,557
US Bank 2007 Bond Fund	-	478,581	478,581
US Bank Bond Fund Series 2021A	-	603,178	603,178
US Bank Bond Fund Series 2021B	-	910,721	910,721
US Bank Surplus Fund Series 2021A	-	500,000	500,000
US Bank Surplus Fund Series 2007	-	62,054	62,054
Receivable from County Treasurer	1,177	33,669	34,846
TOTAL ASSETS	<u>652,734</u>	<u>2,588,203</u>	<u>3,240,937</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	22,797	-	22,797
Liability - Fire Protection IGA Payable	424,806	-	424,806
Total Liabilities	<u>447,603</u>	<u>-</u>	<u>447,603</u>
FUND BALANCES			
Total Fund Balances	<u>205,131</u>	<u>2,588,203</u>	<u>2,793,334</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>652,734</u>	<u>2,588,203</u>	<u>3,240,937</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**VILLAGES AT CASTLE ROCK METRO NO. 6
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	100	115	15
Property taxes	216,098	215,599	(499)
Revenue - Fire Protection IGA	432,197	431,199	(998)
TOTAL REVENUES	<u>648,395</u>	<u>646,913</u>	<u>(1,482)</u>
EXPENDITURES			
Accounting	36,000	27,947	8,053
Auditing	4,900	4,900	-
Contingency	8,962	-	8,962
County Treasurer's fee	9,724	9,704	20
District management	28,000	9,487	18,513
Election	10,000	1,418	8,582
Expense - Fire Protection IGA	425,714	424,806	908
Expense - Pond Maintenance	13,000	6,409	6,591
Insurance	10,200	9,978	222
Legal	28,000	8,539	19,461
Miscellaneous	3,500	1,494	2,006
TOTAL EXPENDITURES	<u>578,000</u>	<u>504,682</u>	<u>73,318</u>
NET CHANGE IN FUND BALANCES	70,395	142,231	71,836
FUND BALANCES - BEGINNING	<u>24,519</u>	<u>62,900</u>	<u>38,381</u>
FUND BALANCES - ENDING	<u><u>94,914</u></u>	<u><u>205,131</u></u>	<u><u>110,217</u></u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

**VILLAGES AT CASTLE ROCK METRO NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 115	\$ 515	\$ 400
Property taxes	2,405,780	2,400,225	(5,555)
Specific ownership tax	244,326	184,681	(59,645)
System Development Fees	52,000	-	(52,000)
TOTAL REVENUES	<u>2,702,221</u>	<u>2,585,421</u>	<u>(116,800)</u>
EXPENDITURES			
Bond interest - 2021A	1,206,356	603,178	603,178
Bond interest - 2021B	899,373	-	899,373
Bond interest Series 2007 CAB Bond Interest - #1	478,573	-	478,573
Contingency	15,308	-	15,308
County Treasurer's fee	36,087	36,010	77
Paying agent fees	5,303	2,303	3,000
TOTAL EXPENDITURES	<u>2,641,000</u>	<u>641,491</u>	<u>1,999,509</u>
NET CHANGE IN FUND BALANCES	61,221	1,943,930	1,882,709
FUND BALANCES - BEGINNING	<u>562,624</u>	<u>644,273</u>	<u>81,649</u>
FUND BALANCES - ENDING	<u>\$ 623,845</u>	<u>\$ 2,588,203</u>	<u>\$ 1,964,358</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Villages at Castle Rock Metropolitan District No. 6, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Ordinance of the Town of Castle Rock on August 15, 1984. The District was established to provide construction, installation, financing and operation of public improvements, including water, sanitary, storm sewer, streets, park and recreation facilities, safety, transportation, television relay, fire protection, and mosquito control primarily for single family residential development within the District. The District's service area is located entirely within the Town of Castle Rock, Douglas County, Colorado.

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$60,000,000 for general obligation bonds at an interest rate not to exceed 18% per annum. In addition, the electors authorized the refunding of up to \$60,000,000 in general obligation bonds at a higher interest rate.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 50.000 mills for the Debt Service Fund, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2019, the adjusted maximum mill levy for debt service is 55.664 mills.

The Second Amended and Restated Service Plan states that in addition to the mill levy for payment of debt service and for operations and maintenance, which is 10.000 mills, the District has a mill levy of 10.000 mills, which is pledged to the Town pursuant to the Fire Protection and Emergency Response IGA.

The total mills levied are as displayed on page 3.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes (Continued)

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.96% for property tax years 2019-2020 on June 23, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation. The debt service mill levy increased to 55.664 from 50.000 mills and the general fund mill levy increased to 11.132 from 10.000 mills.

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 forecast assumes that the District's share will be equal to approximately 8% of the property taxes collected by the District. The budget assumes that all of the specific ownership taxes will be pledged to debt service on the bonds during the term the bonds are outstanding.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical data.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses. Estimated expenditures related to detention pond maintenance are also included in the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt Service

Bond payments 2022 are provided based on the estimated available funds for the Series 2007 Capital Appreciate Bonds (CABs) (discussed under Debt and Leases). As the exact timing and amount of payments is unknown, a debt service schedule isn't presented.

Debt and Leases

The District issued the 2021A Senior Bonds and the 2021B Subordinate Bonds on July 15, 2021 (the "Closing Date"), in the respective par amounts of \$29,245,000 and \$27,709,000. Net proceeds from the sale of the 2021A Senior Bonds will be used to: (i) purchase and cancel a portion of the accreted value of the District's currently outstanding 2007 Senior Bonds; (ii) refund the 2007 Subordinate Obligations; (iii) fund an initial deposit to the 2021A Surplus Fund; and, (iv) pay certain costs in connection with the issuance of the 2021A Senior Bonds and 2021B Subordinate Bonds. The 2021B Subordinate Bonds will be issued in exchange for the purchase and cancellation of a portion of the accreted value of the 2007 Senior Bonds.

The 2021A Senior Bonds will bear interest at 4.125% and are payable semiannually, to the extent of available Senior Pledged Revenue, on June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2038. The 2021A Senior Bonds mature on December 1, 2051.

The 2021B Subordinate Bonds will bear interest at the rate of 5.700% per annum and are subject to mandatory redemption annually on December 1, beginning December 1, 2021 from, and to the extent of, available Subordinate Pledged Revenue, if any, and mature on December 1, 2051. The 2021B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest due prior to the final maturity date. Unpaid interest will accrue and compound annually on each December 1 until sufficient Subordinate Pledged Revenue is available for payment.

The 2007 Senior Bonds were issued in the original principal amount of \$22,647,881.60 and were comprised of 50,917 Bond Units with: 1) 16,786 Bond Units maturing on December 1, 2017 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2010 through December 1, 2017 ("Bond No. 1"); and, 2) 34,131 Bond Units maturing on December 1, 2037 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2018 through December 1, 2037 ("Bond No. 2"). Following the 2021 refunding, 4,847.51 Bond Units of Bond No. 2 remain outstanding on the Closing Date, the District expects to deposit to the Bond Redemption Fund an amount sufficient to pay on December 1, 2021, the accreted value as of December 1, 2021, of 1,158.94 Bond Units of Bond No. 2 that were subject to sinking fund redemption from December 1, 2018 through December 1, 2020. The calculation of this "catch up payment" is shown in the Schedule of 2007 Senior Bond No. 2 Catch Up Payment. The forecast displays the repayment of the remaining 3,688.57 unrefunded Bond Units of Bond No. 2 in the Schedule of Estimated Unrefunded 2007 Senior Bonds Debt Service Requirements. On December 1, 2021 the District will pay the 1,158.94 Bond Units of Bond No. 2 that were subject to sink fund redemption from December 1, 2018 through December 1, 2020.

The District has no operating or capital leases.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves

Emergency Reserve

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

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
Schedule of Cash Position
August 31, 2022
Updated as October 3 2022

	General Fund	IGA Funds	Total General Fund	Debt Service Fund	Total
<u>Wells Fargo Bank - Checking</u>					
Balance as of 08/31/22	\$ 227,535.96	\$ 424,020.87	\$ 651,556.83	\$ -	\$ 651,556.83
Subsequent activities:					
9/10/2022 Property Tax - August	392.35	784.70	1,177.05	33,669.56	34,846.61
10/3/2022 Bill.com Payment	(8,521.30)	-	(8,521.30)	-	(8,521.30)
Anticipated Activities:					
Bill.com Payment	(6,409.34)	-	(6,409.34)	-	(6,409.34)
<i>Anticipated Balance</i>	<u>212,997.67</u>	<u>424,805.57</u>	<u>637,803.24</u>	<u>33,669.56</u>	<u>671,472.80</u>
<u>US Bank Series 2007 Bond Fund</u>					
Balance as of 08/31/2022	-	-	-	478,580.96	478,580.96
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,580.96</u>	<u>478,580.96</u>
<u>US Bank Series 2007 Surplus Fund</u>					
Balance as of 08/31/2022	-	-	-	62,054.45	62,054.45
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,054.45</u>	<u>62,054.45</u>
<u>US Bank Series 2021A Bond Fund</u>					
Balance as of 08/31/2022	-	-	-	603,178.00	603,178.00
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,178.00</u>	<u>603,178.00</u>
<u>US Bank Series 2021B Bond Fund</u>					
Balance as of 08/31/2022	-	-	-	910,720.65	910,720.65
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,720.65</u>	<u>910,720.65</u>
<u>US Bank Series 2021A Surplus Fund</u>					
Balance as of 08/31/2022	-	-	-	500,000.00	500,000.00
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>	<u>500,000.00</u>
<i>Total Anticipated Balance</i>	<u>\$ 212,997.67</u>	<u>\$ 424,805.57</u>	<u>\$ 637,803.24</u>	<u>\$ 2,588,203.62</u>	<u>\$ 3,226,006.86</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**VILLAGES at CASTLE ROCK #6
Property Taxes Reconciliation
2022**

	Current Year							Prior Year				
	Property Taxes		Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Current Property Taxes Received to Taxes Levied		Total Cash Received	% of Total Property Taxes Received to Taxes Levied	
	Current	Delinquent/ Abated						Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 43,490.90	\$ -	\$ 21,939.49	\$ -	\$ (652.34)	\$ -	\$ 64,778.05	1.42%	1.42%	\$ 46,068.80	1.46%	1.46%
February	1,404,515.31	-	19,557.90	-	(21,067.73)	-	1,403,005.48	45.99%	47.41%	\$ 933,262.50	44.93%	46.39%
March	81,291.95	-	22,848.78	64.40	(1,220.34)	-	102,984.79	2.66%	50.07%	\$ 55,937.26	2.08%	48.47%
April	141,274.51	-	23,720.24	-	(2,119.11)	-	162,875.64	4.63%	54.70%	\$ 204,341.66	9.13%	57.60%
May	171,719.48	-	23,718.31	69.89	(2,576.87)	-	192,930.81	5.62%	60.32%	\$ 191,994.99	8.58%	66.18%
June	1,196,338.60	-	20,910.94	136.43	(17,947.12)	-	1,199,438.85	39.17%	99.49%	\$ 694,098.81	33.23%	99.41%
July	2,955.87	-	22,683.29	72.61	(45.43)	-	25,666.34	0.10%	99.59%	\$ 30,059.75	0.43%	99.84%
August	5,436.88	-	29,301.63	192.54	(84.45)	-	34,846.60	0.18%	99.77%	\$ 20,116.48	0.11%	99.95%
September	-	-	-	-	-	-	-	0.00%	99.77%	\$ 18,037.01	0.00%	99.95%
October	-	-	-	-	-	-	-	0.00%	99.77%	\$ 21,431.80	0.05%	100.00%
November	-	-	-	-	-	-	-	0.00%	99.77%	\$ 16,434.28	0.00%	100.00%
December	-	-	-	-	-	-	-	0.00%	99.77%	\$ 18,848.72	0.00%	100.00%
Payment to County	-	-	-	-	-	-	-	0.00%		\$ -		
	\$ 3,047,023.50	\$ -	\$ 184,680.58	\$ 535.87	\$ (45,713.39)	\$ -	\$ 3,186,526.56	99.77%	99.77%	\$ 2,250,632.06	100.00%	100.00%

Property Taxes

	Taxes Levied	MILL LEVY Allocation	Property Taxes Collected	% Collected to Amount Levied
General Fund	\$ 216,098.00	5.000	\$ 215,599.42	99.77%
Debt Service Fund	2,405,780.00	55.664	2,400,225.24	99.77%
Fire Protection IGA	432,197.00	10.000	431,198.84	99.77%
	\$ 3,054,075.00	70.664	\$ 3,047,023.50	

Specific Ownership Taxes

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
Debt Service Fund	\$ 244,326.00	100.00%	\$ 184,680.58	75.59%
	\$ 244,326.00	100.00%	\$ 184,680.58	

Treasurer's Fees

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
General Fund	\$ 3,241.00	5.000	\$ 3,234.56	99.80%
Debt Service Fund	36,087.00	55.664	36,009.71	99.79%
Fire Protection IGA	6,483.00	10.000	6,469.12	99.79%
	\$ 45,811.00	70.664	\$ 45,713.39	

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Dazzio & Associates, PC

Certified Public Accountants

October 3, 2022

To the Board of Directors and Management
The Villages at Castle Rock Metropolitan District No. 6
c/o Special District Management Services
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide The Villages at Castle Rock Metropolitan District No. 6 (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report:

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity
- 3) Assessed Valuation of Classes Of Property in the District

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations

from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,100. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your

account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of The Villages at Castle Rock Metropolitan District No. 6's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dassio & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of The Villages at Castle Rock Metropolitan District No. 6.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4075 - Villages at Castle Rock Metro District 6

IN DOUGLAS COUNTY ON 8/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$43,219,670
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$43,831,150
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$43,831,150
5. NEW CONSTRUCTION: **	\$1,899,490
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$618,815,871
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$27,329,972
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

\$0

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/3/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 375,028	\$ 587,143	\$ 707,173	\$ 707,173	\$ 729,502
REVENUES					
Property Taxes	2,570,159	2,621,878	2,608,620	2,621,878	2,727,832
Specific Ownership Taxes	284,969	244,326	132,696	266,121	284,953
Interest Income	794	215	281	324	700
Revenue - Fire Protection IGA	384,777	432,197	430,011	432,197	438,312
Bond proceeds - 2021A	29,245,000	-	-	-	-
Bond proceeds - 2021B	27,709,000	-	-	-	-
System Development Fees	52,000	52,000	-	-	-
Total revenues	<u>60,246,699</u>	<u>3,350,616</u>	<u>3,171,608</u>	<u>3,320,520</u>	<u>3,451,797</u>
TRANSFERS IN	<u>(533,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>60,087,870</u>	<u>3,937,759</u>	<u>3,878,781</u>	<u>4,027,693</u>	<u>4,181,299</u>
EXPENDITURES					
General Fund	528,988	578,000	475,468	544,643	590,000
Debt Service Fund	58,800,666	2,641,000	641,388	2,753,548	2,788,000
Total expenditures	<u>59,329,654</u>	<u>3,219,000</u>	<u>1,116,856</u>	<u>3,298,191</u>	<u>3,378,000</u>
TRANSFERS OUT	<u>533,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>59,863,511</u>	<u>3,219,000</u>	<u>1,116,856</u>	<u>3,298,191</u>	<u>3,378,000</u>
ENDING FUND BALANCES	<u>\$ 224,359</u>	<u>\$ 718,759</u>	<u>\$ 2,761,924</u>	<u>\$ 729,502</u>	<u>\$ 803,298</u>
EMERGENCY RESERVE	\$ 24,400	\$ 19,500	\$ 19,400	\$ 19,500	\$ 20,000
AVAILABLE FOR OPERATIONS	38,500	75,414	213,106	147,152	220,356
2021 SURPLUS FUND	-	-	500,000	500,000	500,000
2007 SURPLUS FUND	-	-	62,624	62,624	62,624
TOTAL RESERVE	<u>\$ 62,900</u>	<u>\$ 94,914</u>	<u>\$ 795,130</u>	<u>\$ 729,276</u>	<u>\$ 802,980</u>

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/3/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Residential	\$ 35,574,120	\$ 41,699,090	\$ 41,699,090	\$ 41,699,090	\$ 42,801,900
Personal property	267,400	188,900	188,900	188,900	170,260
Agricultural	1,540	1,520	1,520	1,520	1,040
Vacant land	2,634,640	1,330,160	1,330,160	1,330,160	857,950
Exempt	521,290	284,690	284,690	284,690	284,690
	<u>38,998,990</u>	<u>43,504,360</u>	<u>43,504,360</u>	<u>43,504,360</u>	<u>44,115,840</u>
Adjustments	(521,290)	(284,690)	(284,690)	(284,690)	(284,690)
Certified Assessed Value	<u>\$ 38,477,700</u>	<u>\$ 43,219,670</u>	<u>\$ 43,219,670</u>	<u>\$ 43,219,670</u>	<u>\$ 43,831,150</u>
MILL LEVY					
General	11.132	5.000	5.000	5.000	5.140
Debt Service	55.664	55.664	55.664	55.664	57.095
Fire Protection IGA	10.000	10.000	10.000	10.000	10.000
Total mill levy	<u>76.796</u>	<u>70.664</u>	<u>70.664</u>	<u>70.664</u>	<u>72.235</u>
PROPERTY TAXES					
General	\$ 428,334	\$ 216,098	\$ 216,098	\$ 216,098	\$ 225,292
Debt Service	2,141,823	2,405,780	2,405,780	2,405,780	2,502,540
Fire Protection IGA	384,777	432,197	432,197	432,197	438,312
	<u>2,954,934</u>	<u>3,054,075</u>	<u>3,054,075</u>	<u>3,054,075</u>	<u>3,166,144</u>
Levied property taxes	2,954,934	3,054,075	3,054,075	3,054,075	3,166,144
Adjustments to actual/rounding	2	-	(15,444)	-	-
Budgeted property taxes	<u>\$ 2,954,936</u>	<u>\$ 3,054,075</u>	<u>\$ 3,038,631</u>	<u>\$ 3,054,075</u>	<u>\$ 3,166,144</u>
BUDGETED PROPERTY TAXES					
General	\$ 428,334	\$ 216,098	\$ 215,006	\$ 216,098	\$ 225,292
Debt Service	2,141,825	2,405,780	2,393,614	2,405,780	2,502,540
Fire Protection IGA	384,777	432,197	430,011	432,197	438,312
	<u>\$ 2,954,936</u>	<u>\$ 3,054,075</u>	<u>\$ 3,038,631</u>	<u>\$ 3,054,075</u>	<u>\$ 3,166,144</u>

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/3/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 312,431	\$ 24,519	\$ 62,900	\$ 62,900	\$ 166,652
REVENUES					
106320 Property taxes	428,334	216,098	215,006	216,098	225,292
106360 Interest income	203	100	57	100	100
106800 Revenue - Fire Protection IGA	384,777	432,197	430,011	432,197	438,312
Total revenues	<u>813,314</u>	<u>648,395</u>	<u>645,074</u>	<u>648,395</u>	<u>663,704</u>
Total funds available	<u>1,125,745</u>	<u>672,914</u>	<u>707,974</u>	<u>711,295</u>	<u>830,356</u>
EXPENDITURES					
General and administrative					
107000 Accounting	32,682	36,000	13,415	36,000	41,400
107020 Auditing	4,900	4,900	-	4,900	5,500
107200 County Treasurer's Fee	12,200	9,724	9,676	9,724	9,954
107360 Insurance	9,684	10,200	9,978	9,978	10,200
107440 District Management	31,401	28,000	6,548	20,000	28,000
107460 Legal	37,252	28,000	3,740	17,000	28,000
107480 Miscellaneous	2,978	3,500	744	3,500	3,500
107581 Election	-	10,000	1,359	1,418	10,000
107890 Contingency	-	8,962	-	10,000	8,709
Operations and maintenance					
107800 Expense - Pond Maintenance	18,887	13,000	6,409	6,409	13,000
107801 Expense - Fire Protection IGA	379,004	425,714	423,599	425,714	431,737
Total expenditures	<u>528,988</u>	<u>578,000</u>	<u>475,468</u>	<u>544,643</u>	<u>590,000</u>
TRANSFERS OUT					
107900 Transfers to other fund	533,857	-	-	-	-
Total expenditures and transfers out requiring appropriation	<u>1,062,845</u>	<u>578,000</u>	<u>475,468</u>	<u>544,643</u>	<u>590,000</u>
ENDING FUND BALANCE	<u>\$ 62,900</u>	<u>\$ 94,914</u>	<u>\$ 232,506</u>	<u>\$ 166,652</u>	<u>\$ 240,356</u>
EMERGENCY RESERVE	\$ 24,400	\$ 19,500	\$ 19,400	\$ 19,500	\$ 20,000
AVAILABLE FOR OPERATIONS	38,500	75,414	213,106	147,152	220,356
TOTAL RESERVE	<u>\$ 62,900</u>	<u>\$ 94,914</u>	<u>\$ 232,506</u>	<u>\$ 166,652</u>	<u>\$ 240,356</u>

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/3/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 62,597	\$ 562,624	\$ 644,273	\$ 644,273	\$ 562,850
REVENUES					
Property Taxes	2,141,825	2,405,780	2,393,614	2,405,780	2,502,540
Specific Ownership Taxes	284,969	244,326	132,696	266,121	284,953
Bond proceeds - 2021A	29,245,000	-	-	-	-
Bond proceeds - 2021B	27,709,000	-	-	-	-
System Development Fees	52,000	52,000	-	-	-
Interest Income	591	115	224	224	600
Total revenues	<u>59,433,385</u>	<u>2,702,221</u>	<u>2,526,534</u>	<u>2,672,125</u>	<u>2,788,093</u>
TRANSFERS IN					
Transfers from other funds	<u>533,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>60,029,839</u>	<u>3,264,845</u>	<u>3,170,807</u>	<u>3,316,398</u>	<u>3,350,943</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	32,135	36,087	35,907	36,087	37,538
Contingency	-	15,308	-	39,774	39,682
Paying agent fees	2,303	5,303	2,303	5,303	5,303
Debt Service					
Bond Interest - 2007	460,862	478,573	-	478,573	478,215
Bond Principal Series 2007	26,426,062	-	-	-	-
Bond Principal Series 2007 Sub Bonds	2,000,000	-	-	-	-
Bond interest - 2021A	455,735	1,206,356	603,178	1,206,356	1,206,356
Bond interest - 2021B	402,140	899,373	-	987,455	1,020,906
Original Issue Discount	584,900	-	-	-	-
2007 Bond Exchange	27,709,000	-	-	-	-
Bond Issue Costs	1,312,429	-	-	-	-
Total expenditures	<u>59,385,566</u>	<u>2,641,000</u>	<u>641,388</u>	<u>2,753,548</u>	<u>2,788,000</u>
Total expenditures and transfers out requiring appropriation	<u>59,385,566</u>	<u>2,641,000</u>	<u>641,388</u>	<u>2,753,548</u>	<u>2,788,000</u>
ENDING FUND BALANCE	<u>\$ 644,273</u>	<u>\$ 623,845</u>	<u>\$ 2,529,418</u>	<u>\$ 562,850</u>	<u>\$ 562,942</u>
2021 SURPLUS FUND	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000
2007 SURPLUS FUND	-	-	62,624	62,624	62,624
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 562,624</u>	<u>\$ 562,624</u>	<u>\$ 562,624</u>

No assurance provided. See summary of significant assumptions.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Villages at Castle Rock Metropolitan District No. 6, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Ordinance of the Town of Castle Rock on August 15, 1984. The District was established to provide construction, installation, financing and operation of public improvements, including water, sanitary, storm sewer, streets, park and recreation facilities, safety, transportation, television relay, fire protection, and mosquito control primarily for single family residential development within the District. The District's service area is located entirely within the Town of Castle Rock, Douglas County, Colorado.

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$60,000,000 for general obligation bonds at an interest rate not to exceed 18% per annum. In addition, the electors authorized the refunding of up to \$60,000,000 in general obligation bonds at a higher interest rate.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 50.000 mills for the Debt Service Fund, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2022, the adjusted maximum mill levy for debt service is 57.095 mills.

The Second Amended and Restated Service Plan states that in addition to the mill levy for payment of debt service and for operations and maintenance, which is 10.000 mills, the District has a mill levy of 10.000 mills, which is pledged to the Town pursuant to the Fire Protection and Emergency Response IGA.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes (Continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%. Accordingly, the maximum mill levy has been adjusted upward to reflect the change assessed value calculation. The maximum debt service mill levy increased to 57.095 from 50.000 mills and the maximum general fund mill levy increased to 11.419 from 10.000 mills.

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 forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected by the District. The budget assumes that all of the specific ownership taxes will be pledged to debt service on the bonds during the term the bonds are outstanding.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical data.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses. Estimated expenditures related to detention pond maintenance are also included in the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 Bonds and Series 2021A Bonds (discussed under Debt and Leases). As the exact timing and amount of 2021B payments is unknown, a debt service schedule isn't presented.

Debt and Leases

The District issued the 2021A Senior Bonds and the 2021B Subordinate Bonds on July 15, 2021 (the "Closing Date"), in the respective par amounts of \$29,245,000 and \$27,709,000. Net proceeds from the sale of the 2021A Senior Bonds will be used to: (i) purchase and cancel a portion of the accreted value of the District's currently outstanding 2007 Senior Bonds; (ii) refund the 2007 Subordinate Obligations; (iii) fund an initial deposit to the 2021A Surplus Fund; and, (iv) pay certain costs in connection with the issuance of the 2021A Senior Bonds and 2021B Subordinate Bonds. The 2021B Subordinate Bonds will be issued in exchange for the purchase and cancellation of a portion of the accreted value of the 2007 Senior Bonds.

The 2021A Senior Bonds will bear interest at 4.125% and are payable semiannually, to the extent of available Senior Pledged Revenue, on June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2038. The 2021A Senior Bonds mature on December 1, 2051.

The 2021B Subordinate Bonds will bear interest at the rate of 5.700% per annum and are subject to mandatory redemption annually on December 1, beginning December 1, 2021 from, and to the extent of, available Subordinate Pledged Revenue, if any, and mature on December 1, 2051. The 2021B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest due prior to the final maturity date. Unpaid interest will accrue and compound annually on each December 1 until sufficient Subordinate Pledged Revenue is available for payment.

The 2007 Senior Bonds were issued in the original principal amount of \$22,647,881.60 and were comprised of 50,917 Bond Units with: 1) 16,786 Bond Units maturing on December 1, 2017 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2010 through December 1, 2017 ("Bond No. 1"); and, 2) 34,131 Bond Units maturing on December 1, 2037 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2018 through December 1, 2037 ("Bond No. 2"). Following the 2021 refunding, 4,847.51 Bond Units of Bond No. 2 remain outstanding on the Closing Date. 1, 2020.

The District has no operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$29,245,000 Series 2021A
Limited Tax General Obligation Refunding Bonds
Interest Rate: 4.125%
Series 2021A
Interest Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,206,356	\$ 1,206,356
2024	-	1,206,356	\$ 1,206,356
2025	-	1,206,356	\$ 1,206,356
2026	-	1,206,356	\$ 1,206,356
2027	-	1,206,356	\$ 1,206,356
2028	-	1,206,356	\$ 1,206,356
2029	-	1,206,356	\$ 1,206,356
2030	-	1,206,356	\$ 1,206,356
2031	-	1,206,356	\$ 1,206,356
2032	-	1,206,356	\$ 1,206,356
2033	-	1,206,356	\$ 1,206,356
2034	-	1,206,356	\$ 1,206,356
2035	-	1,206,356	\$ 1,206,356
2036	-	1,206,356	\$ 1,206,356
2037	-	1,206,356	\$ 1,206,356
2038	700,000	1,206,356	\$ 1,906,356
2039	1,210,000	1,177,481	\$ 2,387,481
2040	1,405,000	1,127,569	\$ 2,532,569
2041	1,460,000	1,069,613	\$ 2,529,613
2042	1,670,000	1,009,388	\$ 2,679,388
2043	1,740,000	940,500	\$ 2,680,500
2044	1,975,000	868,725	\$ 2,843,725
2045	2,055,000	787,256	\$ 2,842,256
2046	2,310,000	702,488	\$ 3,012,488
2047	2,405,000	607,200	\$ 3,012,200
2048	2,685,000	507,994	\$ 3,192,994
2049	2,795,000	397,238	\$ 3,192,238
2050	3,105,000	281,944	\$ 3,386,944
2051	3,730,000	153,863	\$ 3,883,863
	<u>\$ 29,245,000</u>	<u>\$ 28,932,956</u>	<u>\$ 58,177,956</u>

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2022-10-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 ("District") has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 10, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Villages at Castle Rock Metropolitan District No. 6 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 10th day of October, 2022.

Secretary

EXHIBIT A
(Budget)

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Villages at Castle Rock Metropolitan District No. 6, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 held on October 10, 2022.

By: _____
Secretary

RESOLUTION NO. 2022-10-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on October 10, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Villages at Castle Rock Metropolitan District No. 6:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 10th day of October, 2022.

Secretary

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2022-10-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6 AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN

- A. The Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District operates pursuant to its Second Amended and Restated Service Plan approved by the Town of Castle Rock, Colorado, on April 27, 2004 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.
- C. The Service Plan authorizes a maximum mill levy of 50.000 mills for debt service (“**Maximum Debt Mill Levy**”).
- D. Section X.B.1 of the Service Plan authorizes adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after April 27, 2005 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Debt Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (the “**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.
- E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.
- F. At the time of the Baseline Year, the residential assessment ratio set by the Colorado General Assembly was 7.96%.
- G. In 2017, the Colorado General Assembly (the “**General Assembly**”) passed House Bill 17-1349, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.
- H. In 2019, the General Assembly passed Senate Bill 19-255, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

I. In 2020, the voters of the State of Colorado passed Amendment B, which repealed Article X, Section 3 of the Colorado Constitution such that the ratio of valuation for assessment of real property for 2021 and thereafter, unless further amended by the General Assembly or voters of the State, is 7.15%.

J. In 2021, the General Assembly passed Senate Bill 21-293, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for all residential real property other than multi-family residential real property at 6.95% (decreased from 7.15%) for property tax years commencing on January 1, 2022, and January 1, 2023.

K. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property as set by the General Assembly for property tax imposition year 2022 (property tax collection year 2023), the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Villages at Castle Rock Metropolitan District No. 6, Town of Castle Rock, Douglas County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy to reflect that Senate Bill 21-293 set the ratio of valuation for assessment for residential real property other than multi-family residential real property to 6.95%, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of 57.266 mills for debt service (the “**Adjusted Debt Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.95% for collection year 2023.

3. The Adjusted Debt Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to County Commissioner of Douglas County on or before December 15, 2022, for collection in 2023.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON October 10, 2022.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT no. 6**

President

Attest:

Secretary

RESOLUTION NO. 2022-10-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023**

A. The terms of the offices of Directors William Paris, Nancy Boehler, and Stanley DePue shall expire upon the election of their successors at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successors taking office.

B. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect three (3) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) of the County of Douglas, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three (3) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, Special District Management Solutions, c/o Ann E. Finn, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835,

between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from Ann E. Finn, the Designated Election Official for the Villages at Castle Rock Metropolitan District No. 6, c/o Ann E. Finn at Special District Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023]**

RESOLUTION APPROVED AND ADOPTED on October 10, 2022.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.