

**NEIGHBORS POINT METROPOLITAN DISTRICT
FREQUENTLY ASKED QUESTIONS
AS OF OCTOBER 25, 2023**

WHAT IS THE NEIGHBORS POINT METROPOLITAN DISTRICT?

The Neighbors Point Metropolitan District (the “District”) is a special district that was organized on December 2, 2004, by an Order and Decree issued by the Weld County District Court after an election of the eligible electors authorizing its organization. It is a public entity that is authorized to own, operate and maintain public improvements and impose taxes and/or fees to pay for such services, improvements and its administrative costs.

The current governing document of the District is the Amended and Restated Service Plan, which was approved by the Board of Trustees of the Town of Firestone on June 8, 2022 by Resolution No. 22-53 (the “Service Plan”). In addition to the parameters within the Service Plan, the District operates pursuant to Title 32 of the Colorado Revised Statutes (“C.R.S.”), also known as the Special District Act, and various other Colorado State statutes.

WHAT IS THE PURPOSE OF THE DISTRICT?

The District was created in response to the need for the design, financing, construction, operation and maintenance of public improvements for the project. At the time of the District’s creation, it was not economically feasible for the Town of Firestone (the “Town”) to provide these services and facilities and the most economical means to provide these improvements was determined to be through a district.

HOW IS THE DISTRICT GOVERNED?

The District is governed by a five-member elected Board of Directors (the “Board”). The District currently has three vacant positions. The Board will be interviewing applicants on a rolling basis. Please contact the District’s general counsel, Heather Hartung, if you wish to submit an application for one of the vacant positions. To be qualified, you must be an eligible elector of the District which means you must: (1) either be an owner, or the spouse or civil union partner of an owner, (in an individual capacity) of taxable property interests within the legal boundaries of the District; a resident of the District; or have an option to purchase property within the District which obligates you to pay taxes; and (2) be registered to vote in the State of Colorado. More information on the vacancies is available on the District’s website at <https://neighborspointmetropolitandistrict.com/>.

The next regular election for the Board will be held on May 6, 2025. Those interested in running for positions on the Board will be required to submit self-nomination forms to the District’s Designated Election Official in February 2025. Information regarding the self-nomination forms and submittal deadlines will be published during the early part of 2025 in accordance with Colorado election laws.

ARE DIRECTORS PAID?

Directors may be paid for their services pursuant to the parameters within Sections 32-1-902(3)(a)(1)(I) & (II), C.R.S. which caps the compensation at not more than \$100 per meeting, for a yearly total not to exceed \$1,600 for Directors serving terms of office starting prior to January 1, 2018 and not to exceed \$2,400 for Directors serving terms of office starting on or after January 1, 2018.

At the current time, the Directors have elected to receive compensation for their services as directors.

WHAT IS THE DISTRICT'S DEBT?

The District's debt includes a Limited Tax General Obligation Loan, Series 2022 in the amount of \$5,400,000 (the "Loan"). The Loan is scheduled to mature in December 2037; however this maturity date is subject to change if the Loan is refinanced, or if additional debt is issued (subject to any Service Plan debt limitations), which could extend the maturity date. At this time, the District does *not* have any current plans to issue additional debt.

WHAT ARE THE SOURCES OF FUNDING FOR DISTRICT EXPENSES?

The District is funded by revenues generated from a property tax mill levy. The District property tax mill levy for debt services is limited to a maximum of 50.000 mills, subject to adjustments in the calculation of residential assessment ratio. The District operations and maintenance mill levy is now limited to a maximum of 10.000 mills, subject to adjustments in the calculation of residential assessment ratio. Additionally, pursuant to the Service Plan, the District imposes an operations and maintenance mill levy of 3.000 mills, which revenue is remitted to the Town.

For collection in the 2023 fiscal year, the District imposed 43.000 mills on property for the purpose of payment of the debt issued by the District in 2022; 10.046 mills for operational purposes; and 3.000 mills for the Town operations and maintenance levy. The total mill levies imposed by the District for collection in 2023 are 56.046 mills.

The mill levy imposed by the District may vary from year-to-year based upon the actual values of the properties within the District and the debt service and operational needs of the District.

The District's Board adopts a budget annually and sets its mill levy for the following year based upon the needs of the District. This meeting is conducted as a public hearing and property owners are encouraged to attend and provide comments. To obtain a copy of the District's most recent budget, please contact the District's legal counsel (contact information set forth below).

HOW ARE TAXES CALCULATED?

Property taxes are determined by completing the following calculation for an individual parcel of property: assessed valuation x mill levy = annual tax bill.

The assessed valuation of a property is determined by the County Assessor. For residential properties, the County Assessor determines the actual (not market) value of a residential property and multiples it by 6.765% (the assessment ratio for 2023 per legislation). For example, if a property is valued by the County Assessor at \$300,000, the assessed valuation in 2024 is \$20,295 ($\$300,000 \times 6.765\% = \$20,295$). Once the assessed valuation is determined, the County Treasurer applies the total mill levy of all governmental entities which tax that parcel to the assessed valuation to determine the annual tax bill for that property. Property taxes vary depending on the value of your home so keep in mind that your neighbor may pay a different amount than you.

I JUST BOUGHT MY HOME...WILL MY TAXES BE THE SAME NEXT YEAR?

When establishing the assessed value of your property, the County Assessor looks at the value of your home as of January 1 of the year in which the assessed value is set. To further complicate matters, taxes are imposed in one year and collected the following year. So, for example, for taxes paid in 2023, the taxes are really taxes imposed in 2022 (for collection in 2023) and the assessed value on which those taxes is based is the value of the home and property as of January 1, 2022. This means that if your home was not yet built as of January 1, 2022, the assessed valuation for the taxes you pay in 2023 will be significantly lower than the assessed value for the taxes you pay in 2024.

To determine what your assessed valuation was for the taxes you pay in 2023, refer to your tax bill from the County Treasurer.

WHY DOES THE DISTRICT NEED MONEY?

The District was organized to finance, construct, operate and maintain public improvements serving the properties within its boundaries. In order to finance the capital (i.e., the construction) costs, the District issues bonds or other financial obligations (a/k/a “debt”) which are required to be repaid over a period of time, typically thirty or forty years. This debt is repaid through the property tax revenues generated by mill levies. As of October 25, 2023, the District has completed all infrastructure projects.

As a public entity, the District must remain in compliance with Colorado law for Title 32 special districts. There are administrative costs associated with maintaining the District and complying with these requirements.

WHAT ARE THE CURRENT DISTRICT FEES?

The District does not currently impose any fees or rates on residents within the District.

DOES THE DISTRICT ENFORCE COVENANTS?

No, the District does not enforce covenants. The Neighbors Point Homeowners Association (the “HOA”) enforces covenants within the community and is a separate and distinct entity from the District.

WHEN AND WHERE ARE THE DISTRICT MEETINGS HELD?

In 2023, the District scheduled meetings on June 21 and November 15 at 12:00 p.m. via teleconference. The District scheduled the 2024 annual meeting on November 5, 2024 at 5:00 p.m. via teleconference. For 2024, the District scheduled a regular meeting on November 5, 2024 at 6:00 p.m. via teleconference. Special meetings may also be held as the needs of the District require. All meetings are open to the public and notice of the meetings are posted on the District's website (<https://neighborspointmetropolitandistrict.com/>) at least twenty-four (24) hours in advance of any such meeting. If the website is not available for posting meeting notices, the notices may be posted physically within the boundaries of the District.

Due to unforeseen circumstances, meetings are subject to cancellation. To avoid inconvenience, any interested parties are encouraged to verify the status of an upcoming meeting with the District's legal counsel (contact information set forth below).

The Board is considering offering meetings both virtually and in-person. To do so, the Board must first locate a venue. If an in-person option is made available, information will be posted on the District's website.

WHO DO I CONTACT IF THERE ARE QUESTIONS OR CONCERNS ABOUT DISTRICT PROPERTY?

For questions relating to the condition of District-owned property, please contact the District's legal counsel. For general reference, the District is not currently responsible for any maintenance within the District; the HOA is currently responsible for ongoing maintenance projects within the District.

NEED MORE INFORMATION?

More information regarding the District may be obtained from the District's General Counsel: White Bear Ankele Tanaka & Waldron, Attention: Heather L. Hartung, Esq. 2154 East Commons Avenue, Suite 2000, Centennial, Colorado 80122; (303) 858-1800; hhartung@wbapc.com.