

Bromley Park Metropolitan District No. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/30/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 8,282,265	\$ 13,126,180	\$ 14,494,803
REVENUES			
Property taxes	7,868,144	4,732,197	4,131,608
Specific ownership taxes	322,797	222,624	169,440
Conservation Trust Fund proceeds	18,791	26,000	20,500
Oil Lease	25,610	22,000	20,000
Interest Income	621,892	570,000	430,470
Other Revenue	10	-	-
Total revenues	<u>8,857,244</u>	<u>5,572,821</u>	<u>4,772,018</u>
TRANSFERS IN	<u>74</u>	<u>-</u>	<u>-</u>
Total funds available	<u>17,139,583</u>	<u>18,699,001</u>	<u>19,266,821</u>
EXPENDITURES			
General Fund	330,729	465,844	600,000
Debt Service Fund	3,516,427	3,378,354	3,385,000
Capital Projects Fund	166,174	360,000	5,046,000
Total expenditures	<u>4,013,330</u>	<u>4,204,198</u>	<u>9,031,000</u>
TRANSFERS OUT	<u>74</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,013,404</u>	<u>4,204,198</u>	<u>9,031,000</u>
ENDING FUND BALANCES	<u>\$ 13,126,182</u>	<u>\$ 14,494,803</u>	<u>\$ 10,235,821</u>
EMERGENCY RESERVE	\$ 34,000	\$ 22,000	\$ 19,500
REPLACEMENT/MAINTENANCE RESERVE	-	250,000	250,000
RESERVE FOR FUTURE OPERATIONS	1,196,003	1,474,326	1,523,746
2018A RESERVE FUND (MAX \$839,575)	839,575	839,575	839,575
2018A AND 2023 SURPLUS FUND (MAX \$8,000,000)	1,470,453	1,470,453	1,470,453
2023 RESERVE FUND (MAX \$1,470,453)	1,470,453	5,512,919	6,164,320
TOTAL RESERVE	<u>\$ 5,010,484</u>	<u>\$ 9,569,273</u>	<u>\$ 10,235,821</u>

See summary of significant assumptions.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION - ADAMS			
Residential - Single Family	\$ 43,049,570	\$ 43,738,390	\$ 44,615,270
Residential - Multi Family	2,319,620	7,421,890	6,372,000
Commercial	1,288,220	1,288,220	1,493,730
State assessed	34,900	37,130	41,780
Vacant land	3,306,860	2,553,380	1,404,960
Personal property	1,760,460	1,891,740	2,432,760
Certified Assessed Value	<u>\$ 51,759,630</u>	<u>\$ 56,930,750</u>	<u>\$ 56,360,500</u>
MILL LEVY			
General	7.000	7.000	7.000
Debt Service	48.000	47.500	47.500
Total mill levy	<u>55.000</u>	<u>54.500</u>	<u>54.500</u>
PROPERTY TAXES			
General	\$ 362,317	\$ 398,515	\$ 394,524
Debt Service	2,484,463	2,704,211	2,677,124
Levied property taxes	<u>2,846,780</u>	<u>3,102,726</u>	<u>3,071,648</u>
Adjustments to actual/rounding	6,551	-	-
Budgeted property taxes	<u>\$ 2,853,331</u>	<u>\$ 3,102,726</u>	<u>\$ 3,071,648</u>
ASSESSED VALUATION - WELD			
Residential - Single Family	\$ 1,503,250	\$ 2,482,280	\$ 2,685,110
Commercial	-	160	130
Agricultural	660	660	710
State assessed	43,320	49,110	32,580
Vacant land	185,470	48,820	84,870
Oil and Gas	89,326,640	27,317,520	16,645,410
Certified Assessed Value	<u>\$ 91,059,340</u>	<u>\$ 29,898,550</u>	<u>\$ 19,448,810</u>
MILL LEVY			
General	7.000	7.000	7.000
Debt Service	48.000	47.500	47.500
Total mill levy	<u>55.000</u>	<u>54.500</u>	<u>54.500</u>
PROPERTY TAXES			
General	\$ 637,416	\$ 209,290	\$ 136,142
Debt Service	4,370,848	1,420,181	923,818
Levied property taxes	<u>5,008,264</u>	<u>1,629,471</u>	<u>1,059,960</u>
Adjustments to actual/rounding	6,549	-	-
Budgeted property taxes	<u>\$ 5,014,813</u>	<u>\$ 1,629,471</u>	<u>\$ 1,059,960</u>
BUDGETED PROPERTY TAXES			
General	\$ 1,001,400	\$ 607,805	\$ 530,665
Debt Service	6,866,744	4,124,392	3,600,943
	<u>\$ 7,868,144</u>	<u>\$ 4,732,197</u>	<u>\$ 4,131,608</u>

See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/30/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 680,268	\$ 1,480,003	\$ 1,746,326
REVENUES			
Property taxes	1,001,400	607,805	530,665
Specific ownership taxes	29,731	28,362	15,755
Conservation Trust Fund proceeds	18,791	26,000	20,500
Interest Income	80,532	70,000	80,000
Other Revenue	10	-	-
Total revenues	<u>1,130,464</u>	<u>732,167</u>	<u>646,920</u>
Total funds available	<u>1,810,732</u>	<u>2,212,170</u>	<u>2,393,246</u>
EXPENDITURES			
General and administrative			
Accounting	59,035	66,000	69,000
Auditing	6,400	7,000	7,500
County Treasurer's Fee	14,727	9,117	7,960
Dues and Membership	652	661	1,000
Insurance	16,128	16,180	18,000
District management	34,130	58,000	60,000
Legal	39,411	48,000	66,000
Miscellaneous	85	-	250
Banking fees	-	-	50
Election	91	3,866	-
Website	-	2,500	7,500
Fence and Sign Maintenance	10,486	8,320	10,000
Contingency	-	-	6,240
Operations and maintenance			
Repairs and maintenance	-	12,500	25,000
Detention pond maintenance	-	5,000	10,000
Engineering	-	17,500	35,000
Landscaping	-	7,500	15,000
Landscape maintenance - District	29,960	29,700	30,000
Landscape maintenance - HOA Brighton East Farms	71,943	90,000	140,000
Landscape maintenance - Utilities	1,173	1,500	1,500
Landscape maintenance - HOA Parkside at BEF	20,150	52,500	60,000
Utilities	73	-	-
Water	26,285	30,000	30,000
Total expenditures	<u>330,729</u>	<u>465,844</u>	<u>600,000</u>
Total expenditures and transfers out requiring appropriation	<u>330,729</u>	<u>465,844</u>	<u>600,000</u>
ENDING FUND BALANCES	<u>\$ 1,480,003</u>	<u>\$ 1,746,326</u>	<u>\$ 1,793,246</u>
EMERGENCY RESERVE	\$ 34,000	\$ 22,000	\$ 19,500
REPLACEMENT/MAINTENANCE RESERVE	250,000	250,000	250,000
RESERVE FOR FUTURE OPERATIONS	1,196,003	1,474,326	1,523,746
TOTAL RESERVE	<u>\$ 1,480,003</u>	<u>\$ 1,746,326</u>	<u>\$ 1,793,246</u>

See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/30/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 2,648,936	\$ 6,582,647	\$ 7,822,947
REVENUES			
Property taxes	6,866,743	4,124,392	3,600,943
Specific ownership taxes	293,066	194,262	153,685
Interest Income	290,253	300,000	250,000
Total revenues	<u>7,450,062</u>	<u>4,618,654</u>	<u>4,004,628</u>
TRANSFERS IN			
Transfers from other funds	<u>74</u>	<u>-</u>	<u>-</u>
Total funds available	<u>10,099,072</u>	<u>11,201,301</u>	<u>11,827,575</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	103,329	61,866	54,014
Paying agent fees	3,500	7,000	7,000
Contingency	-	-	6,249
Debt Service			
Bond interest - Series 2018A	1,070,650	1,040,400	1,008,650
Bond interest - Series 2023	1,733,948	1,634,088	1,634,087
Bond principal - Series 2018A	605,000	635,000	670,000
Bond principal - Series 2023	-	-	5,000
Total expenditures	<u>3,516,427</u>	<u>3,378,354</u>	<u>3,385,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,516,427</u>	<u>3,378,354</u>	<u>3,385,000</u>
ENDING FUND BALANCES	<u>\$ 6,582,647</u>	<u>\$ 7,822,947</u>	<u>\$ 8,442,575</u>
2018A RESERVE FUND (MAX \$839,575)	\$ 839,575	\$ 839,575	\$ 839,575
2023 RESERVE FUND (MAX \$1,470,453)	1,470,453	1,470,453	1,470,453
2018A AND 2023 SURPLUS FUND (MAX \$8,000,000)	4,272,619	5,512,919	6,164,320
TOTAL RESERVE	<u>\$ 6,582,647</u>	<u>\$ 7,822,947</u>	<u>\$ 8,442,575</u>

See summary of significant assumptions.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,953,061	\$ 5,063,530	\$ 4,925,530
REVENUES			
Interest Income	251,107	200,000	100,470
Oil Lease	25,610	22,000	20,000
Total revenues	<u>276,717</u>	<u>222,000</u>	<u>120,470</u>
Total funds available	<u>5,229,778</u>	<u>5,285,530</u>	<u>5,046,000</u>
EXPENDITURES			
General and Administrative			
Capital Projects			
Engineering	7,795	10,000	25,000
Capital outlay	158,379	350,000	5,021,000
Total expenditures	<u>166,174</u>	<u>360,000</u>	<u>5,046,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>74</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>166,248</u>	<u>360,000</u>	<u>5,046,000</u>
ENDING FUND BALANCES	<u>\$ 5,063,530</u>	<u>\$ 4,925,530</u>	<u>\$ -</u>

See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Bromley Park Metropolitan District No. 2, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on April 25, 1985, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Adams County, Colorado, and Weld County, Colorado, entirely within the City of Brighton ("City").

The District was established to provide construction, installation, financing, and operation of water, sewer, storm drainage, streets, park and recreation, mosquito control, transportation, and television relay systems and improvements.

The annexation agreement into the City, as amended, was entered into by the City, BPK Holdings, LLC (the "Developer"), South Beebe Draw Metropolitan District (formerly Bromley Park Metropolitan District No. 1), Bromley Park Metropolitan Districts Nos. 2 and 3, and Brighton Crossing Metropolitan District (formerly Bromley Park Metropolitan District No. 4) (collectively, the "Districts", or "SBDMD", "BPMD No. 2 or 3", and "BCMD"). Bromley Park Metropolitan District Nos. 5 and 6 were organized in 2000 but are not currently parties to the annexation agreement. The Districts and the Developer (and subsequent developers) are to construct improvements and then transfer ownership of the facilities to the City. In exchange, the City will maintain and operate the facilities, with some exceptions, and provide water, sewer, and storm drainage services to the Districts.

The District has entered into intergovernmental agreements with SBDMD, BPMD No. 3 and BCMD to share in the construction of mutually beneficial improvements and administrative expenditures. Certain development-related revenue and sales and use taxes collected by the City of Brighton are to be deposited by SBDMD to pay specific costs or debt incurred by the Districts.

The District has no employees and all operations and 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.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5.5% of the property taxes collected in Adams County and 4% of property taxes collected in Weld County.

Regional Facilities and Development Fees

The District entered into that certain Intergovernmental Agreement with SBDMD, BPMD No. 3, and BCMD on March 21, 2000 (the "IGA"). Under this agreement, SBDMD collects various regional facility fees, which include sewer tap fees, storm drainage fees and building use taxes. The District imposes and collects infrastructure fees, storm drainage, and water development fees, which will be used to fund the District's debt service obligations. The District also imposes system development fees and park fees for the purpose of construction and maintenance of the District's improvements.

Concurrently with the issuance of the Series 2007 Bonds, the District and JF Companies LLC ("JF") entered into that certain Capital Fee Reimbursement Agreement dated July 27, 2007 (the "Capital Fee Reimbursement Agreement"). The District and JF had a fee guaranty agreement in association with the refunded bonds, under which the Developer had prepaid \$1,749,659 in fees. Under the original terms of the fee guaranty agreement, the District agreed to reimburse JF for the prepaid fees. Under the Capital Fee Reimbursement Agreement, the infrastructure fee, local storm drainage fee, and water plant investment fees received by the District will be applied first to reimburse the Developer the \$1,749,659 of prepaid fees and the remaining fees will be pledged to the payment of the 2018 Bonds. On July 27, 2007, JF assigned a portion of the Reimbursement Amount (as defined in the Capital Fee Reimbursement Agreement) to MDR LLC (MDR).

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Termination of Capital Fee Reimbursement Agreement

Concurrent with the issuance of the 2018 Bonds, the District entered into that certain 2018 Advance and Reimbursement Agreement with Kings Co, LLC, dated April 15, 2018 and amended November 6, 2018 (the "2018 Advance and Reimbursement Agreement"), and entered into a Termination of Capital Fee Reimbursement Agreement ("Termination Agreement") with JF and MDR on April 5, 2018, pursuant to which JF and MDR agreed that all capital fees required to be paid under the Capital Fee Reimbursement Agreement have been paid or are deemed paid and JF and MDR agreed to waive all present or future claims to reimbursement established under the Capital Fee Reimbursement Agreement.

Expenditures

Administrative and Operating Expenditures

Operating and administrative 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, managerial, general engineering, insurance, meeting expense, and other administrative expenditures. Estimated expenditures related to landscaping were also included the General Fund budget.

Intergovernmental Agreement

The District has an intergovernmental agreement with the Brighton East Farms Homeowners Association (the "Brighton East Farms HOA") for landscape maintenance. Under this agreement the Brighton East Farms HOA will oversee and pay vendors directly for all landscape maintenance. The District will reimburse the Brighton East Farms HOA for the District's share of landscape maintenance.

The District is party to an intergovernmental agreement with the Parkside at Brighton East Farms Homeowners Association (the "Parkside HOA") for landscape maintenance. Under this agreement the Parkside HOA will oversee and pay vendors directly for all landscape maintenance. The District will reimburse the Parkside HOA for the District's share of landscape maintenance.

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2025 are provided based on the debt amortization schedules for the 2018A Bonds and the 2023 Bonds.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District issued Senior General Obligation Limited Tax Refunding Bonds, Series 2018A (the “2018A Bonds” or the “Senior Bonds”), First Subordinate General Obligation Limited Tax Refunding Bonds, Series 2018B (the “First Subordinate Bonds”), Second Subordinate General Obligation Limited Tax Bonds, Series 2018C (the “Second Subordinate Bonds”), and Third Subordinate General Obligation Limited Tax Bonds, Series 2018D (the “Third Subordinate Bonds” and collectively, the “2018 Bonds”) on April 5, 2018, in the amounts of \$28,855,000, \$8,325,000, \$6,408,000 and \$8,000,000, respectively.

Proceeds from the sale of the Senior Bonds and the First Subordinate Bonds were used to refund, on a current basis, all of the District’s outstanding 2007 Senior and Subordinate Bonds. Only proceeds of the Senior Bonds were used to fund: (i) the Senior Reserve Fund; (ii) costs in connection with the issuance of the Senior Bonds; and (iii) certain costs in connection with the issuance of the First Subordinate Bonds. Only proceeds of the First Subordinate Bonds, together with District funds on hand, were used to fund: (i) the First Subordinate Reserve Fund and (ii) other costs in connection with the issuance of the First Subordinate Bonds.

The Second Subordinate Bonds were issued to reimburse Kings Co, LLC for the costs of certain public improvements which costs were incurred under the 2018 Advance and Reimbursement Agreement and which reimbursement rights were acquired by Kings Co, LLC pursuant to the Termination of Capital Fee Reimbursement Agreement and a portion of which are now reimbursable to Kings Co, LLC under the 2018 Advance and Reimbursement Agreement, as amended.

The draw-down Third Subordinate Bonds were issued to evidence the District’s reimbursement obligation with respect to advances made or improvements to be constructed or caused to be constructed and expected to be made by Kings Co, LLC pursuant to the 2018 Advance and Reimbursement Agreement.

The First, Second and Third Subordinate Bonds were refunded on November 9, 2023 with the issuance of the 2023 Bonds.

The 2018A Bonds bear interest at rates ranging from 3.50% to 5.00% payable semi-annually on June 1 and December 1, beginning on June 1, 2018. The 2018A Bonds issued as serial bonds matured on December 1 of the years 2018 through 2023; thereafter, the 2018A Bonds issued as term bonds have annual mandatory sinking fund principal payments due on December 1, commencing December 1, 2024. The 2018A Bonds mature on December 1, 2047.

The 2018A Bonds are subject to optional redemption prior to maturity, at the option of the District, on December 1, 2028, and on any date thereafter, upon payment of principal and accrued interest, without redemption premium.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

The 2018A Bonds are secured by and payable solely from and to the extent of 2018A Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection:

- (i) the 2018A Required Mill Levy;
- (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the 2018A Required Mill Levy;
- (iii) the Capital Fees, if any; and
- (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2018A Pledged Revenue.

Pursuant to the 2018A Indenture, the District has covenanted to impose a 2018A Required Mill Levy each year in an amount sufficient to fund the 2018A Bond Fund for the relevant Bond Year and pay the 2018A Bonds as they come due, and if necessary, an amount sufficient to replenish the 2018A Reserve Fund to the amount of the 2018A Required Reserve, but not in excess of 78.725 mills; provided however, that in the event the method of calculating assessed valuation is changed after the date of the 2018A Indenture, the mill levies provided therein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by 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. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The District issued General Obligation Limited Tax Refunding Bonds, Series 2023 (the “2023 Bonds”) on November 9, 2023 in the amount of \$30,310,000 for the purpose of refunding the First Subordinate, Second Subordinate and Third Subordinate Bonds issued April 5, 2018 and for the purpose of paying or reimbursing project costs.

The 2023 Bonds bear interest at rates ranging from 5.000% to 5.375% payable semi-annually on June 1 and December 1, beginning on June 1, 2024. The 2023 Bonds have a final maturity of December 1, 2053 with annual mandatory sinking fund principal payments due on December 1, commencing December 1, 2026.

The 2023 Bonds are subject to optional redemption prior to maturity, at the option of the District, on December 1, 2033, and on any date thereafter, upon payment of principal and accrued interest, without redemption premium.

The 2023 Bonds are secured by and payable solely from and to the extent of 2023 Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection:

- (i) the 2023 Required Mill Levy;
- (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the 2023 Required Mill Levy; and
- (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2023 Pledged Revenue.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

Pursuant to the 2023 Indenture, the District has covenanted to impose a 2023 Required Mill Levy each year in an amount sufficient to fund the 2023 Bond Fund for the relevant Bond Year and pay the 2023 Bonds as they come due, and if necessary, an amount sufficient to replenish the 2023 Reserve Fund to the amount of the 2023 Required Reserve, but not in excess of 78.725 mills, and for so long as the 2018A and 2023 Surplus Fund is less than the Base Surplus Amount not less than the number of mills necessary to also fund or replenish the 2018A and 2023 Surplus Fund; provided however, that in the event the method of calculating assessed valuation is changed after the date of the 2023 Indenture, the mill levies provided herein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by 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. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The District has no operating or capital leases.

Contracts and Agreements

Community Park Construction Agreement

During 2003, the District entered into an agreement with the City and the Developer that outlined the Developer's and District's obligation to design and construct a neighborhood and community park within the District. Pursuant to the agreement, the City is to impose and collect a Community Park Impact Fee, which is a fee that is separate from the District park development fee. The Community Park Impact Fee is \$250 per unit. The City is to escrow these funds and the District can be reimbursed for its actual costs to design and construct the community park to the extent of fees collected by the City. Up to \$25,000 can be reimbursed to the District for design costs of the park, with the remainder of the fee being reimbursed, to the extent of actual costs, upon the completion of construction of the park. The Agreement indicates that the community park is to be completed no later than the issuance of a building permit for the 508th dwelling unit constructed within the District. The District incurred actual construction costs in the amount of \$762,241 and requested reimbursement from the City for these costs. Cumulative to date, the District has received reimbursement of \$558,990. The District is obligated to build two additional parks. Until such parks are built, the District will not receive any additional reimbursement.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2025, as defined under TABOR.

Debt Service Reserve

The 2018A Bonds are also secured by amounts on deposit in the 2018A Reserve Fund, which was funded from proceeds of the 2018A Bonds in amounts equal to the 2018A Required Reserve Fund of \$839,575.

The 2023 Indenture provides that 2023 Pledged Revenue that is not needed to pay debt service on the 2023 Bonds in any year will be deposited to and maintained in the 2018A and 2023 Surplus Fund in an amount up to the Base Surplus Amount of \$1,500,000, and not in excess of the Maximum Surplus Amount of \$8,000,000 for so long as any 2023 Bond is outstanding.

This information is an integral part of the accompanying budget.