

**TALON POINTE METROPOLITAN DISTRICT
FREQUENTLY ASKED QUESTIONS
AS OF MAY 11, 2023**

WHAT IS THE TALON POINTE METROPOLITAN DISTRICT?

The Talon Pointe Metropolitan District (the “District”) is a special district that was organized on December 12, 2006, by an Order and Decree issued by the Adams 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 Second Amended and Restated Service Plan, which was approved by the City Council of the City of Thornton on September 10, 2013 by Resolution No. 2013-147, as amended on September 2, 2014 (collectively, 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 City of Thornton 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 two vacant positions. The Board will be interviewing applicants at the August 10, 2023 regular meeting to fill these positions. Please contact the District’s Manager, Angela Elliott, 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://www.talonpointemetrodistrict.com>.

The next regular election for the Board will be held on May 6, 2025.

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 *not* to be paid.

WHAT ARE THE DISTRICT'S BONDS?

The District's debt includes the General Obligation Refunding and Improvement (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A in the amount of \$21,315,000 and the Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019B in the amount of \$2,595,000. The bonds are scheduled to mature in December 2051; however this maturity date is subject to change if the bonds are 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 and is unlimited for operations since the Board now consists of at least three resident-Directors.

For collection in the 2023 fiscal year, the District imposed 54.085 mills on property for the purpose of payment of the debt issued by the District in November of 2019 and 32.451 mills for operational purposes. The total mill levies imposed by the District for collection in 2023 are 86.536 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 Manager (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 multiplies it by 6.765% (the new assessment ratio for 2023 per recent legislation). For example, if a property is valued by the County Assessor at \$300,000, the assessed valuation in 2023 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 2022, the taxes are really taxes imposed in 2021 (for collection in 2022) and the assessed value on which those taxes is based is the value of the home and property as of January 1, 2021. This means that if your home was not yet built as of January 1, 2021, the assessed valuation for the taxes you pay in 2022 will be significantly lower than the assessed value for the taxes you pay in 2023.

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 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 IS THE CURRENT MONTHLY DISTRICT FEE?

At the November 29, 2022 meeting, the Board reviewed various budget scenarios and decided to impose an ongoing operations fee on three types of properties. Specifically, a quarterly fee of \$100.00 was imposed on Residential Units; \$50.000 was imposed on those Vacant Lots in Filing No. 2 and \$25.00 was imposed on the Epic Home Vacant Lots. These quarterly fees are utilized to pay for the operation and maintenance of District’s facilities and services such as landscape maintenance, snow removal and covenant enforcement.

While the monthly fee is not currently anticipated to change greatly over time, it may do so depending on the needs of the District. These types of changes are discussed at the budget meeting where the budget is reviewed each year by the Board. While budgets typically increase from year-to-year, it is possible that the budget in future years may decrease. However, that is not guaranteed and should not be anticipated.

Payments of your monthly fees should be sent to: *Talon Pointe Metropolitan District, c/o Teleos-Management Group, 191 University Blvd, #358, Denver, Colorado 80206* for receipt by the 1st day of each quarter. The District also offers automatic check withdrawal services. For questions relating to billing, please call the District's management company, Teleos-Management Group at the number listed below.

Additional information on the quarterly fees imposed by the District can be found in the *Amended and Restated Resolution Concerning the Imposition of an Operations Fee* dated November 29, 2022 and recorded with the Adams County Clerk and Recorder on December 20, 2022 at Reception No. 2022000098080. A copy of this document can be found on the District's website.

WHAT HAPPENS IF I DON'T PAY THE MONTHLY FEE TO THE DISTRICT?

Failure to pay your ongoing monthly fee will result in the District imposing late fees and interest and pursuing collection actions. The District incurs administrative and legal fees, as well as costs, for such collection actions and seeks to collect these amounts in addition to collection of the underlying delinquent fees. Authority for these actions is found in Colorado statutes. Specifically, Section 32-1-1001(1)(j)(I), C.R.S. provides that the District's lien is perpetual and may be foreclosed upon; Section 29-1-1102, C.R.S. authorizes the District to impose late fees; and Section 32-1-1006(d), C.R.S. allows the District to impose interest on delinquent accounts. Information on the District's collection procedures can be found in the *Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges*. A copy of this document can be found on the District's website.

DOES THE DISTRICT ENFORCE COVENANTS?

Yes, the District enforces the Covenants and Restrictions of Talon Pointe which were recorded with the Clerk and Recorder of Adams County, Colorado on August 26, 2013 at Reception Number 2013000074582 (the "Covenants"). The District also enforces the rules and regulations and guidelines.

WHAT HAPPENS IF I DON'T ABIDE BY THE COVENANTS?

Failure to abide by the Covenants will result in the District taking covenant enforcement action. These actions may consist of sending covenant enforcement demand letters, cease and desist letters, issuing fines and/or turning files over to special counsel for legal action. Authority for these actions is found in Colorado statutes (Section 32-1-1001(1)(j)(I) and Section 32-1-1004(8).) and the Service Plan. Information on the District's enforcement procedures can be found in the *Amended and Restated Resolution Regarding Policies, Procedures and Penalties for the*

Enforcement of the Governing Documents. A copy of this document can be found on the District's website.

WHEN AND WHERE ARE THE DISTRICT MEETINGS HELD?

In 2023, the District scheduled meetings on February 7th, May 11th, August 10th and November 9th at 5p.m. via teleconference. All meetings are open to the public and notice of the meetings are posted on the District's website 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 Manager (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 and the management company will send an e-blast.

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

For questions relating to the condition of District-owned property, please contact the District's Manager. For general reference, the District is responsible for maintaining District-owned property, while owners are responsible for maintaining their lots, including weed and snow removal.

RECENT QUESTIONS

Within the last year, there have been several questions from community members regarding high water bills, the water feature, snow removal and landscape responsibilities. Specifically:

Water Bills: There were higher than average water bills in 2021 for tracts that are near the oil and gas tracts. While the developer was not working near these tracts, the developer, as a good will gesture, paid the outstanding water invoices from contributions in the amount of approximately \$50,000.

Water Feature: The developer installed a water feature as part of development and, in 2019, the District saw an increase in water bills. The increased water bills were paid by the developer.

Water Feature Alternative: The Board may consider different alternatives for the property that currently hold the water feature. Any discussion will occur during a board meeting.

Snow Removal: The District is responsible for snow removal on District-owned property and sidewalks adjacent to District-owned property. The District is also responsible for salting and

sanding in the mailbox kiosk areas. Homeowners are responsible for snow removal on their own driveways and sidewalks.

Landscape: The District is responsible for the maintenance of District-owned property, which includes landscaping on District-owned property. The Board and management company are working together with the District's landscaping company to address dead grass, weeds and dead trees in various District-owned areas. The Board is hopeful that come this Spring, these areas will see remarkable improvement.

For more information on landscaping, please attend meetings and/or review the minutes. You may also contact any Board member and/or the District's Manager.

NEED MORE INFORMATION?

More information regarding the District may be obtained from the District's Manager:

Angela Elliott

Teleos Management Group

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