

**PALISADE METROPOLITAN DISTRICT NO. 2**  
**DISCLOSURE TO PURCHASERS**

This Disclosure to Purchasers has been prepared by Palisade Metropolitan District No. 2 (the “**District**”) to provide prospective property owners with general information regarding the District and its operations. This Disclosure to Purchasers is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained herein.

**DISTRICT’S SERVICE PLAN**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized in the City and County of Broomfield, Colorado (“**City**”). The District operates pursuant to its First Amended and Restated Service Plan, as approved by the City Council of the City on December 2, 2014, as amended on August 20, 2019 and April 25, 2023 (collectively, the “**Service Plan**”) and by the powers authorized by Section 32-1-1004, of the Colorado Revised Statutes (the “**C.R.S.**”).

The purpose of the District is to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translator, mosquito control, and limited fire protection improvements and services as further described in the Service Plan.

The District’s Service Plan, which can be further amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs (the “**Division**”) and is also available on the District’s website at <https://palisademetropolitandistricts.specialdistrict.net/>.

**DISTRICT BOARD OF DIRECTORS**

The District is governed by a five-member Board of Directors, who must be qualified as eligible electors of the District. The Board’s regular meeting dates may be obtained from District Counsel, McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado 80203; (303) 592-4380.

**DEBT AUTHORIZATION**

Pursuant to its Service Plan, the District has authority to issue up to Eighty-Two Million Dollars (\$82,000,000) of debt to provide and pay for public infrastructure improvement costs.

Any debt issued by the District will be repaid through ad valorem property taxes, from a District imposed debt service mill levy on all taxable property of the District, together with any other legally available revenues of the District.

On October 10, 2019, the District issued its Subordinate General Obligation Limited Tax and Revenue Bonds, Series 2019 in the aggregate principal amount of \$23,558,000 (the “**Series**”).

**2019 Bonds**”). The Series 2019 Bonds were issued for the purpose of financing or reimbursing the cost of acquiring, constructing, and installing certain public improvements and paying certain costs in connection with the issuance of the Series 2019 Bonds. The Series 2019 Bonds mature on December 15, 2049 and bear interest at the rate of 7.25% per annum payable on December 15 of each year. The Series 2019 Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Series 2019 Bonds prior to the maturity date. Notwithstanding, principal and interest on the Series 2019 Bonds will be deemed paid, satisfied, and discharged on December 16, 2059, regardless of the amount of principal and interest paid prior to said date.

On November 23, 2021, the District issued a loan in the original principal amount of \$19,647,000 (the “**2021 Loan**”) pursuant to the terms of a Loan Agreement between the District and Zions Bancorporation, N.A. d/b/a Vectra Bank of Colorado, as lender (the “**Loan Agreement**”). Proceeds from the 2021 Loan were used to refund previously outstanding debt of the District and to pay the costs of issuing the 2021 Loan. The 2021 Loan matures on December 1, 2046 and bears interest at a rate of 2.75% from the closing date until December 1, 2036. For the period from December 1, 2036 to the maturity date, the interest rate is to be calculated in accordance with the terms of the Loan Agreement. Interest is payable on June 1 and December 1 of each year and principal is payable on December 1 of each year.

The District anticipates issuing additional debt in the future.

## **TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT**

### *Ad Valorem Property Taxes*

The District’s primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15<sup>th</sup> of each year which determines the taxes paid by each property owner in the following year. The District imposed a total combined Mill Levy of **50.530** mills for tax collection year 2023 (as described below). The total overlapping mill levy for the property within the District for tax collection year 2023 is **153.621** mills (inclusive of the District’s Mill Levy), as described in the “Overlapping Mill Levy” section below.

### *Debt Service Mill Levy*

The maximum debt service mill levy the District is permitted to impose under the Service Plan (the “**Maximum Debt Mill Levy**”) is as follows:

For the portion of any aggregate District debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy debt. The Maximum Debt Mill Levy may be adjusted due to changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement. The purpose of such adjustment is

to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased.

For the portion of any aggregate District debt which is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy imposed to repay such portion of debt shall not be subject to the fifty (50) mill limitation discussed above, and, as a result, the debt mill levy may be such amount as is necessary to pay the debt service on such debt, without limitation of rate.

***Operations Mill Levy***

In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative, operations and maintenance services (the “**Operations and Maintenance Mill Levy**”). The amount of the Operations and Maintenance Mill Levy may be increased as necessary, separate and apart from the Maximum Debt Mill Levy.

**THE FOLLOWING EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.**

***District Property Tax Calculation Example***

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy <sup>1</sup> /Rate <sup>2</sup> (M)	Amount of District Tax Due [AV x M]
2023	\$450,000	6.95% (single family)	\$31,275	50.530/1000 = .050530	\$1,580.33
		6.80% (multi-family)	\$30,600	50.530/1000 = .050530	\$1,546.22
		29% (commercial)	\$130,500	50.530/1000 = .050530	\$6,594.17

<sup>1</sup> Based on a projected mill levy, not a representation of any actual current or future mill levy

<sup>2</sup> Each mill is equal to 1/1000<sup>th</sup> of a dollar

***Overlapping Mill Levies***

In addition to the District’s imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional “overlapping” mill levies from additional taxing authorities. The overlapping mill levy **for tax collection year 2023**, for the property within the District, exclusive of the District’s imposed mill levies was **103.091** mills. Mill levies are certified in December of each year, and generally published by the City by the end of the first quarter.

The breakdown of the overlapping mill levies is as follows:

<b>Taxing Authority</b>	<b>Levy</b>
City and County of Broomfield	28.968
Broomfield Urban Renewal Authority – North Park West	0.000
Northern Colorado Water Conservancy	1.000
Regional Transportation District	0.000
Boulder Valley Soil Conservation District	0.000
St. Vrain Valley District RE-1J	58.385
North Metro Fire Protection District	14.738
<b>TOTAL OVERLAPPING MILL LEVY</b>	<b>103.091</b>
Palisade Metropolitan District No. 2	50.530
<b>TOTAL WITH DISTRICT MILL LEVY</b>	<b>153.621</b>

***Overlapping Mill Levy Property Tax Calculation Example (Inclusive of District Mill Levy)***

<b>Tax Collection Year</b>	<b>Actual Value (V)</b>	<b>Assessment Ratio (R)</b>	<b>Assessed Value (AV) [V x R = AV]</b>	<b>Mill Levy<sup>1</sup>/Rate<sup>2</sup> (M)</b>	<b>Amount of Total Property Tax Due [AV x M]</b>
2023	\$450,000	6.95% (single family)	\$31,275	153.621/1000= .153621	\$4,804.50
		6.80% (multi-family)	\$30,600	153.621/1000= .153621	\$4,700.80
		29% (commercial)	\$130,500	153.621/1000= .153621	\$20,047.54

<sup>1</sup> Based on a projected mill levy, not a representation of any actual current or future mill levy

<sup>2</sup> Each mill is equal to 1/1000<sup>th</sup> of a dollar

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***Fees***

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32 of the Colorado Revised Statutes, as amended.

The District has adopted a Facilities Fee Resolution, as amended, imposing a “Facilities Fee” in the amount of \$0.50 per square foot of commercial property and \$1,000 on each multi-family residential unit payable on or before the date of issuance of a building permit for the related residential unit or commercial property. For a current fee schedule, please contact General Counsel at the contact information below.

**DISTRICT BOUNDARIES**

This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A** and **Exhibit B**, both attached hereto and incorporated herein by this reference.

**CONTACT INFORMATION**

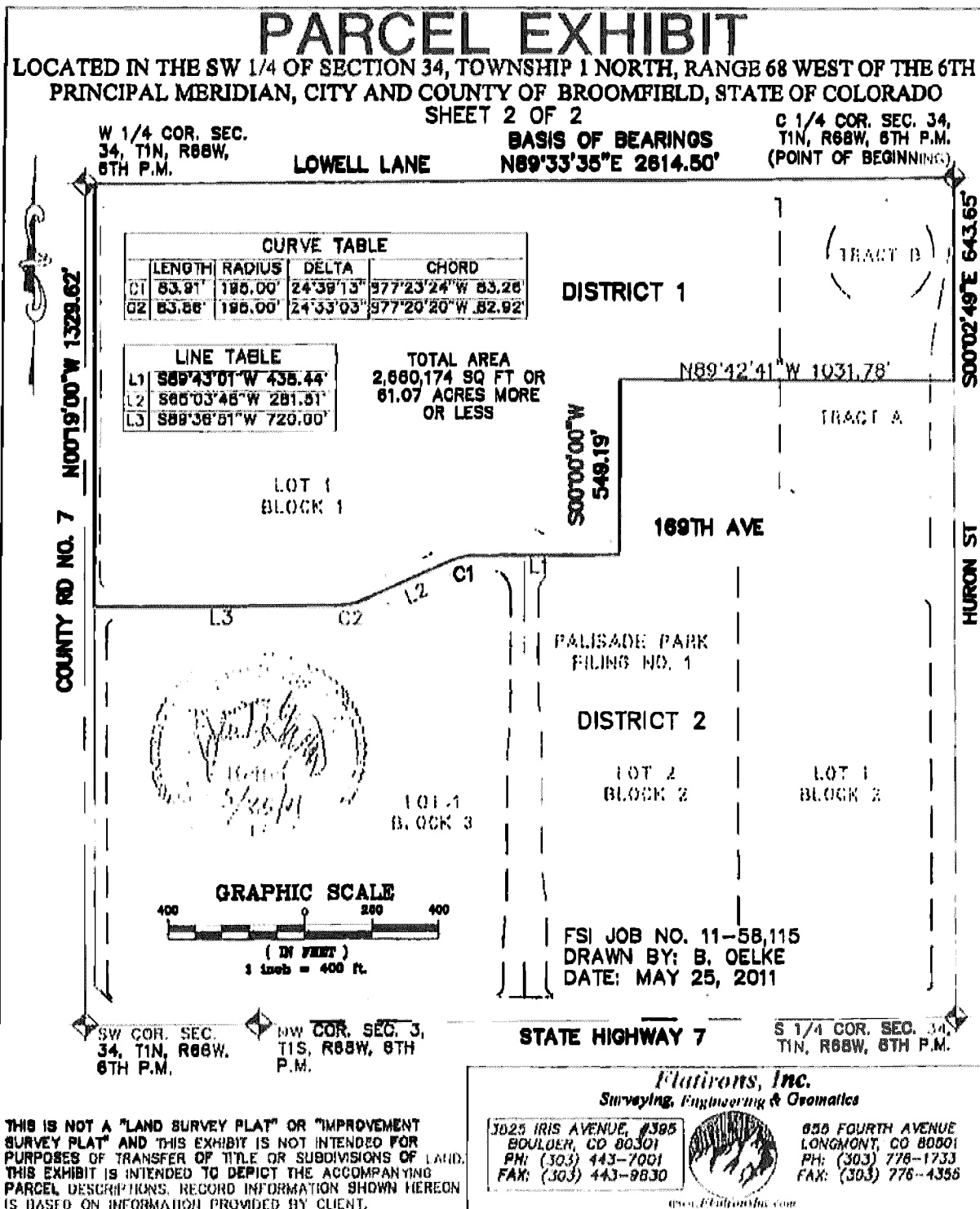
Should you have any questions with regard to these matters, please contact:

McGeady Becher P.C.  
450 East 17<sup>th</sup> Avenue, Suite 400  
Denver, CO 80203  
Phone: 303-592-4380  
Email: [inquiries@specialdistrictlaw.com](mailto:inquiries@specialdistrictlaw.com)

Dated this 26th day of July, 2023.

**EXHIBIT A**

**Map of District Boundaries**





**EXHIBIT B**

**Legal Description of District Boundaries**

# PARCEL DESCRIPTION

LOCATED IN THE SW 1/4 OF SECTION 34, TOWNSHIP 1 NORTH, RANGE  
68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF  
BROOMFIELD, STATE OF COLORADO

SHEET 1 OF 2

A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH P.M., CITY AND COUNTY OF BROOMFIELD, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE NORTH LINE OF PALISADE PARK FILING NO. 1 RECORDED ON OCTOBER 9, 2007 AT RECEPTION NO. 2007013123 IN THE RECORDS OF THE CITY AND COUNTY OF BROOMFIELD TO BEAR NORTH 89°33'35" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; COMMENCING AT THE NORTHEAST CORNER OF SAID SUBDIVISION THENCE ALONG THE EAST LINE OF SAID SUBDIVISION SOUTH 00°02'49" EAST, A DISTANCE OF 643.65 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST LINE SOUTH 00°02'49" EAST, A DISTANCE OF 1943.10 FEET TO THE SOUTHEAST CORNER OF SAID SUBDIVISION; THENCE ALONG THE SOUTH LINE OF SAID SUBDIVISION SOUTH 89°38'48" WEST, A DISTANCE OF 2552.57 FEET TO A SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE ALONG A SOUTHWESTERLY LINE OF SAID SUBDIVISION NORTH 45°15'53" WEST, A DISTANCE OF 70.43 FEET TO A POINT ON THE WEST LINE OF SAID SUBDIVISION; THENCE ALONG SAID WEST LINE NORTH 00°19'00" WEST, A DISTANCE OF 1204.73 FEET TO THE CENTERLINE OF 169TH AVENUE; THENCE ALONG SAID CENTERLINE THE FOLLOWING FIVE (5) COURSES;

- 1) NORTH 89°38'51" EAST, A DISTANCE OF 720.00 FEET TO A POINT OF CURVATURE;
- 2) THENCE ON A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 195.00 FEET, AN ARC LENGTH OF 83.56 FEET, AN INCLUDED ANGLE OF 24°33'03", AND A CHORD BEARING NORTH 77°20'20" EAST, A DISTANCE OF 82.92 FEET;
- 3) THENCE NORTH 65°03'48" EAST, A DISTANCE OF 281.51 FEET TO A POINT OF CURVATURE;
- 4) THENCE ON A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 195.00 FEET, AN ARC LENGTH OF 83.91 FEET, AN INCLUDED ANGLE OF 24°39'13", AND A CHORD BEARING NORTH 77°23'24" EAST, A DISTANCE OF 83.28 FEET;
- 5) THENCE NORTH 89°43'01" EAST, A DISTANCE OF 436.44 FEET;

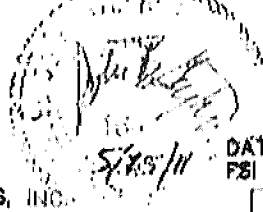
THENCE DEPARTING SAID CENTERLINE NORTH 00°00'00" EAST, A DISTANCE OF 549.19 FEET; THENCE SOUTH 89°42'41" EAST, A DISTANCE OF 1031.78 FEET TO A POINT ON THE EAST LINE OF SAID SUBDIVISION, SAID POINT ALSO BEING THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 4,082,567 SQ FT OR 93.72 ACRES MORE OR LESS.

I, JOHN B. GUYTON, A LICENSED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE FOR AND ON BEHALF OF FLATIRONS, INC., THAT THIS PARCEL DESCRIPTION AND ATTACHED EXHIBIT, BEING MADE A PART THEREOF, WERE PREPARED BY ME OR UNDER MY RESPONSIBLE CHARGE AT THE REQUEST OF THE CLIENT AND IS NOT INTENDED TO REPRESENT A MONUMENTED LAND SURVEY OR SUBDIVIDE LAND IN VIOLATION OF STATE STATUTE.

JOHN B. GUYTON  
COLORADO P.L.S. #16408  
CHAIRMAN/CEO, FLATIRONS, INC.

DATE  
P&I JOB NO. 11-58,115



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