MIRABELLE METROPOLITAN DISTRICT NOS. 1-2
SUMMARY DESCRIPTION AND FREQUENTLY ASKED QUESTIONS
2026

WHAT ARE THE MIRABELLE METROPOLITAN DISTRICT NOS. 1-2?

The Mirabelle Metropolitan District Nos. 1-2 (the "**Districts**") are special districts organized under Title 32 of the Colorado Revised Statues. District No. 1 was originally organized under the name Highlands Ranch Water and Sanitation District in 1980, and eventually changed its name to Mirabelle Metropolitan District No. 1 in 2016.

The Districts are governed by their Amended and Restated Consolidated Service Plan (the "**Service Plan**"), which was approved by the Douglas County Board of County Commissioners on October 25, 2016.

A map showing the boundaries of the Districts is attached to this notice as **Exhibit A**.

WHAT IS THE PURPOSE OF THE DISTRICTS?

The Districts were created in response to the need for the design, financing, construction, operation, and maintenance of public improvements serving the Solstice community. At the time of the Districts' creation, it was not economically feasible for any other governmental entity to provide these services and facilities and the most economical means to provide these improvements was determined to be through the Districts.

> District No. 1 is the Service District. It is responsible for the financing, acquisition, and operation of facilities and improvements needed for the development.
>
> District No. 2 is the Financing District. It is responsible for generating the majority of the tax revenue to pay the costs of the public improvements.

Per the Service Plan, the Districts have the power to finance and construct public improvements including water, storm sewer, sanitation and wastewater, street improvements, traffic safety protection, television relay and translation, mosquito control, fire protection, security, and covenant enforcement and design review for the benefit of residents and taxpayers within the Districts' boundaries.

GOVERNANCE AND MEETINGS

The Districts are each governed by a five-member Board of Directors (the "**Boards**"). In order to serve on a Board, a person must: (1) be either 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 him/her to pay taxes; and (2) be registered to vote in the State of Colorado.

Directors are elected to staggered terms so that every two years at least two of the four-year director positions are up for re-election. Regular elections for the Districts are held in May of odd-numbered in years. Those interested in running for positions on the Board of a District for which they are qualified must submit a self-nomination form to the District's Designated Election Official in February of the applicable election year. Information regarding the self-nomination forms and submittal deadlines will be provided during the early part of each election year in accordance with Colorado election laws.

The Boards of Directors of the Districts meet as necessary to conduct business and all meetings are open to the public. Notices of regular and special meetings are posted to the Districts' website: https://www.mirabellemetrodistrict.com/. 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 by checking the Districts' website or contacting the Districts via the contact information below.

WHAT ARE THE SOURCES OF FUNDING FOR DISTRICT EXPENSES?

The Board of Directors of each District adopts a budget annually and sets the mill levy for the following year based upon the needs of each of the Districts. These meetings are conducted as public hearings and property owners are encouraged to attend and provide comments. To obtain a copy of the Districts' most recent budgets, please consult the Districts' website.

The Districts are largely funded by revenues generated from a property tax mill levy. For the 2026 collection year, District No. 1 imposed a mill levy for operations and maintenance, and District No. 2 imposed a mill levy for both operations and maintenance as well as debt service. The total mill levy imposed by the Districts may vary from year to year based upon the assessed value of the properties within the Districts and the debt service and operational needs of the Districts. The current mill levy rates can be found within the Districts' budgets posted on the Districts' website.

District No. 1 also imposes an operations fee, currently at the rate of $40 per month, the revenue from which is used specifically for landscape maintenance and snow removal services.

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 6.25% for collection in 2026. For example, if a property is valued by the County Assessor at $500,000, the assessed valuation is $31,250 ($500,000 x 6.25% = $31,250). 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 total annual tax bill for that property.

For example, applying the District No. 2's current total mill levy of 92.927 mills, the District's tax on the sample property valued at $500,000 would be $2,903.97 ($31,250/1000 X 92.927) for collection in 2026. Property taxes vary depending on the value of your home, so keep in mind that other homeowners may pay a different amount than you due to differences in assessed value for each home.

WHY DO THE DISTRICTS NEED PROPERTY TAXES?

The Districts were organized to finance, construct, operate and maintain public improvements serving the properties within its boundaries. In order to finance capital costs for the construction of public improvements serving the community, such as roads, water, sewer, and landscaping improvements, District No. 2 has issued municipal bonds or other financial obligations (aka "debt"), which are required to be repaid over a period of time. This debt is repaid through the property tax revenues generated by mill levies.

As public entities, the Districts must remain in compliance with Colorado law for Title 32 special districts. There are administrative costs associated with maintaining the Districts and complying with these requirements. These costs are also paid through the property tax revenue generated by mill levies.

District No. 1 maintains landscaping and trails within various tracts in the community that have been constructed or installed by District No. 1, as outlined in Exhibit B. In addition to being funded via tax revenue, District No. 1 also imposes an operations fee, as discussed above, to fund such maintenance, as authorized by their Service Plan.

HOW MUCH DEBT DOES THE DISTRICT HAVE?

On November 8, 2016, a majority of the qualified electors of the Districts authorized the issuance of indebtedness in an amount not to exceed $90,000,000 for each of several categories of improvements. Pursuant to C.R.S. § 32-1-1101(2), this permits the Districts to issue bonds for a period not to exceed twenty years following the date of the election. Put another way, the bonds (or other debt) must be issued within twenty years of the election authorizing the debt. Note that this authorized debt amount is further limited by the total amount of debt the Districts can issue per the Service Plan, which is limited to a total of $90,000,000 in the aggregate for the Districts.

On January 30, 2020, District No. 2 issued Series 2020A Bonds in the amount of $29,295,000 and its Series 2020B Bonds in the amount of $7,365,000, for a total principal amount of $36,660,000 (collectively, the "**2020 Bonds**"), the proceeds of which were used to reimburse the developer for amounts advanced by the developer to District No. 1 for the construction of public improvements. The Series 2020A Bonds carried an interest rate of 5.000%, and the Series 2020B Bonds had an interest rate of 7.375%.

On January 29, 2025, District No. 2 issued its Series 2025A Bonds in the amount of $34,690,000 and Series 2025B Bonds in the amount of $21,191,000, for a total principal amount of $55,881,000 (collectively, the "**2025 Bonds**"). Proceeds from the 2025 Bonds were used to refund (i.e.,

refinance) the outstanding 2020 Bonds and to reimburse the developer for additional amounts advanced by the developer to District No.1 for the construction of public improvements. The 2025 Bonds are scheduled to mature in 2041, with an interest rate of 4.375% to 5.000% for the Series 2025A Bonds and 6.125% for the 2025B Bonds.

NEED MORE INFORMATION?

More information regarding the Districts may be obtained from the Districts' website at https://www.mirabellemetrodistrict.com/ or by contacting the District Manager, Advance HOA, at (303) 482-2213 or ben.mcdowell@advancehoa.com.

EXHIBIT A

Current District Boundaries Map

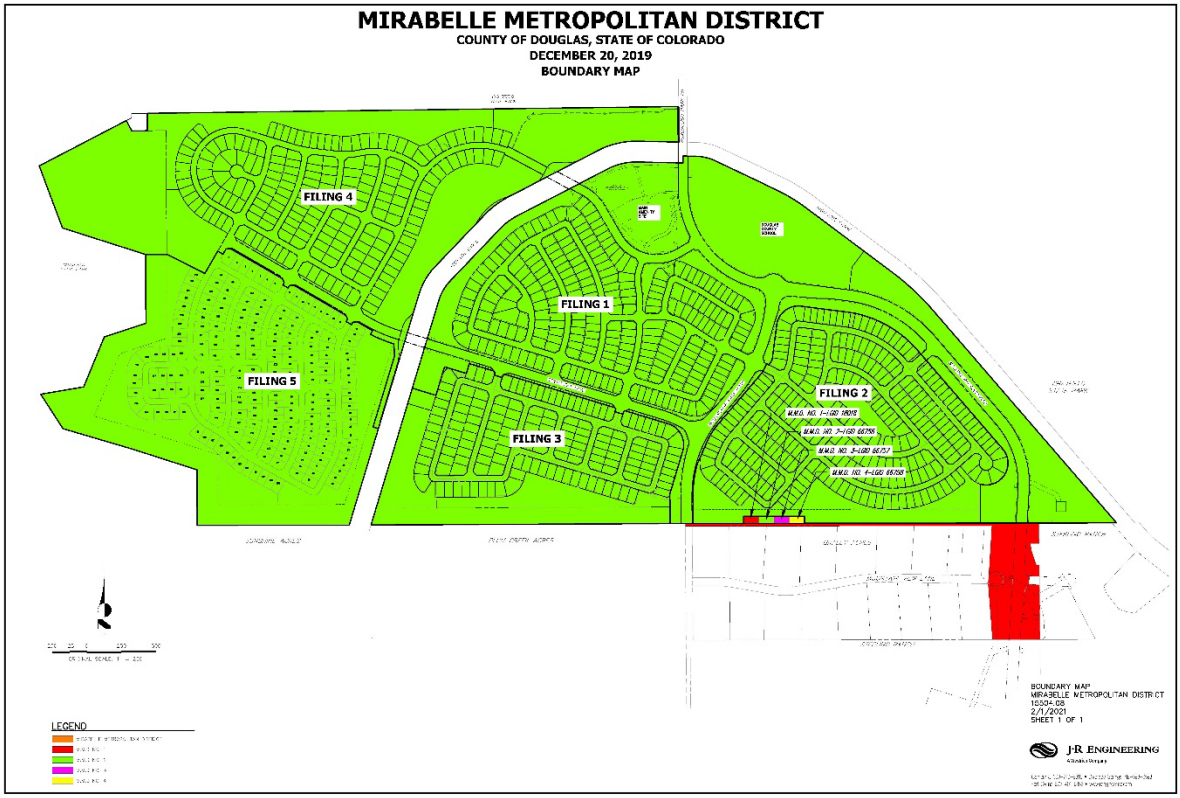


EXHIBIT B

Public Improvements Location Map

