

The Glen Metropolitan District No. 3
Bond Issue and Construction Update
January 2022

The following is an update from the Board of Directors of The Glen Metropolitan District No. 3 (District No. 3) relating to certain actions that have been taken and are ongoing in regard to the financing and construction of public improvements within and/or of benefit to the properties within the boundaries of the District.

District No. 3 was formed in December of 2004, along with The Glen Metropolitan Districts Nos. 1 and 2, for the purpose of financing the costs of public infrastructure necessary to permit the development of The Glen at Widefield (the Districts collectively). The Districts were each authorized to issue up to \$15 million of municipal bonds to finance the cost of streets, water, sanitation, parks and other associated infrastructure.

The bonds issued by the Districts are payable from property taxes, which are limited to 50 mills for bonds (subject to certain adjustments) and 10 mills for operating costs.

Over the course of time, District Nos. 1 and 2 have previously issued bonds for these purposes, and are levying property taxes for bonds and operating costs within these limits.

Previously, District No. 3 has been dormant in terms of any financing activities and no mill levies had been imposed, with associated savings to property owners. Lot sales and home development began to occur and by the end of 2021, a number of homes had been sold.

With the development of property within District No. 3, and associated public infrastructure needs, the Board of Directors began to evaluate the opportunities to issue bonds to pay for these costs as originally planned. In 2021, interest rates in the bond market were exceptionally low, and the Board determined to proceed with a financing to take advantage of this.

Accordingly, in December of 2021, District No. 3 closed on the issuance of \$12,615,000 in tax-exempt municipal bonds to fund existing and future costs of public infrastructure within and/or benefiting the residents of District No. 3. The bonds have a term of 30 years, as is typical in this setting. The interest rate on the bonds ranges between 3.75% to 4.25%, which was an outstanding result.

In connection with this issuance, the terms of the bonds required the imposition of a debt service mill levy of 44.531 mills for collection in 2022 through maturity, to pay the principal and interest on the bonds. In addition, District No. 3 has also imposed an operating levy of 10 mills. This will bring District No. 3 property owners in line with the mill levies being imposed by District Nos. 1 and 2.

Based on an average home within District No. 3, this will result in an increase in property taxes equal to approximately \$125 per month (amount varies depending on assessed value of each residential property).

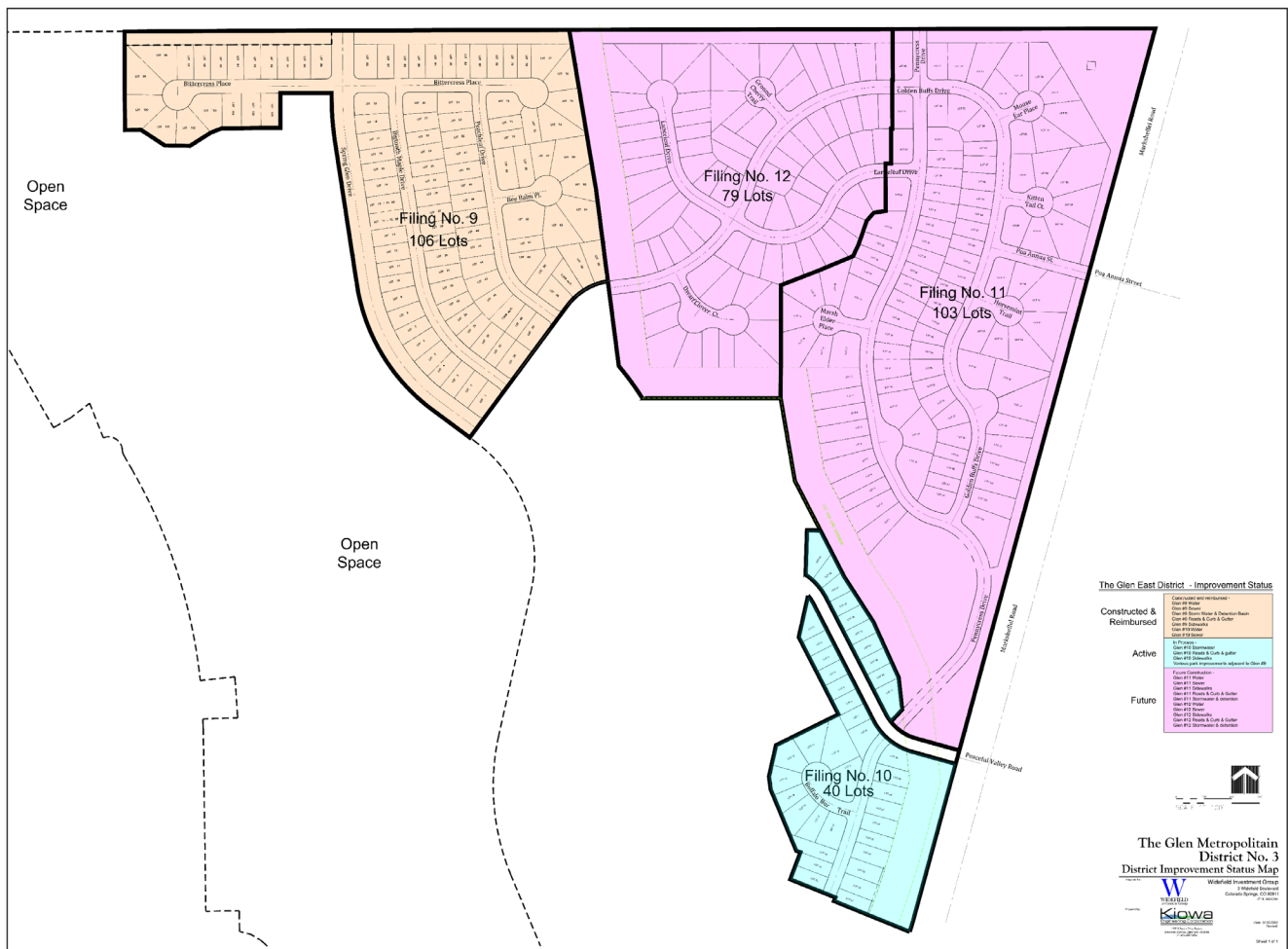
This is a one-time increase of the mill levy for debt service and operations. The mill levy is expected to remain constant going forward based on projections of growth in the tax base as the balance of District No. 3 develops.

In terms of the uses for the bond proceeds, District No. 3 paid approximately \$2.9 Million to the developer of the project, which had constructed public infrastructure in Filings 9 and 10 of The Glen at Widefield Subdivision from the end of 2020 and through 2021.

The balance of the bond proceeds will be used by District No. 3 to construct the rest of the public infrastructure required for the remaining territory within District No. 3. Public bidding is underway for the next phase of construction, with commencement expected in early March. Additionally, construction is underway on a new playground/park within the District.

Construction of all public infrastructure for District No. 3 is projected to be complete by the end of 2023.

A map depicting the boundaries of the District and the public infrastructure being provided is presented below.



The Board of Directors of District No. 3 has worked diligently to provide necessary public infrastructure for the project at the least cost, both through public marketing of the bonds and public bidding on the majority of the remaining construction projects required to complete the development. The resulting property tax mill levies compare favorably to other developments in the vicinity of the District, as shown in the table below:



Mill Levy Comps – El Paso County, Colorado
 2020 Mill Levies for 2021 Collections
 January 20, 2022

Metropolitan District	County	City	Operations Mills	Debt Service Mills	District Mills	Non-District Mills	Total Mill Levy
Sterling Ranch Metropolitan District No. 2	El Paso	Unincorporated	11.132	55.663	66.795	97.295	164.090
Lorson Ranch Metropolitan District No. 4	El Paso	Unincorporated	11.132	55.663	66.795	85.193	151.988
Lorson Ranch Metropolitan District No. 2	El Paso	Unincorporated	11.132	55.663	66.795	75.193	141.988
Lorson Ranch Metropolitan District No. 3	El Paso	Unincorporated	11.132	55.663	66.795	75.193	141.988
Mesa Ridge Metropolitan District No. 2	El Paso	Fountain	5.566	59.947	65.513	81.770	147.283
Banning Lewis Ranch Metropolitan District No. 4	El Paso	Colorado Springs	22.266	33.398	55.664	71.313	126.977
Banning Lewis Ranch Metropolitan District No. 5	El Paso	Colorado Springs	22.266	33.398	55.664	71.313	126.977
Banning Lewis Ranch Metropolitan District No. 8	El Paso	Colorado Springs	22.266	33.398	55.664	60.182	115.846
Sterling Ranch Metropolitan District No. 1	El Paso	Unincorporated	11.132	44.531	55.663	70.100	125.763
The Glen Metropolitan District No. 2	El Paso	Unincorporated	10.000	44.531	54.531	84.073	138.604
The Glen Metropolitan District No. 3	El Paso	Unincorporated	10.000	44.531	54.531	84.073	138.604
The Glen Metropolitan District No. 1	El Paso	Unincorporated	10.000	44.531	54.531	74.073	128.604
Woodmen Heights Metropolitan District No. 2	El Paso	Colorado Springs	11.132	27.386	51.132	74.364	125.496
Banning Lewis Ranch Metropolitan District No. 2	El Paso	Colorado Springs	22.266	27.831	50.097	71.313	121.410
Sterling Ranch Metropolitan District No. 3	El Paso	Unincorporated	10.000	40.000	50.000	70.100	120.100
Cumberland Green Metropolitan District	El Paso	Fountain	11.400	35.600	47.000	54.202	101.202
Falcon Highlands Metropolitan District	El Paso	Unincorporated	6.147	36.881	43.028	82.812	125.840
Banning Lewis Ranch Metropolitan District No. 3	El Paso	Colorado Springs	22.266	18.328	40.594	71.313	111.907
Bradley Heights Metropolitan District No. 2	El Paso	Colorado Springs	10.000	30.000	40.000	94.470	134.470
Bradley Heights Metropolitan District No. 3	El Paso	Colorado Springs	10.000	30.000	40.000	94.470	134.470
Crescent Canyon Metropolitan District	El Paso	Fountain	10.003	25.008	35.011	81.770	116.781
Woodmen Heights Metropolitan District No. 3	El Paso	Colorado Springs	10.000	24.600	34.600	86.725	121.325

Thank you for your interest.

BOARD OF DIRECTORS

THE GLEN METROPOLITAN DISTRICT NO. 3