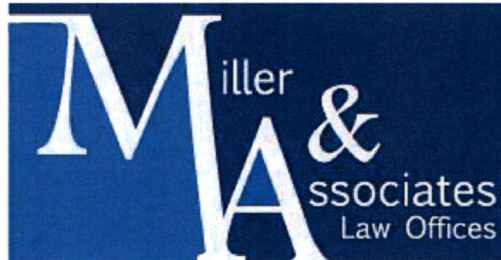


Dianne D. Miller  
Admitted in Colorado and  
New Mexico



Michael E. Davis  
Admitted in Colorado  
Richard K. Sans Soucy  
Admitted in Colorado  
Chelsea W. Rengel  
Admitted in Colorado  
and Idaho

April 27, 2018

Office of the Douglas County Clerk & Recorder  
301 Wilcox Street  
Castle Rock, CO 80104

**RE: 2017 Annual Report**

To Whom It May Concern:

Enclosed for your records is the annual report for 2017 for the below captioned district.  
Please contact me with any questions or concerns. Thank you.

Hillside at Castle Rock Metropolitan District

MILLER & ASSOCIATES LAW OFFICES, LLC

A handwritten signature in blue ink that reads 'Marisa Davis'. The signature is written in a cursive, flowing style.

Marisa Davis  
Paralegal

Enclosure

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT  
TOWN OF CASTLE ROCK, STATE OF COLORADO**

**ANNUAL REPORT FOR FISCAL YEAR 2017**

Pursuant to the Service Plan for the Hillside at Castle Rock Metropolitan District (the "District"), the District is required to provide an annual report to the Town of Castle Rock (the "Town") with regard to the following matters:

- A. A narrative summary of the progress of the District in implementing its Service Plan for the report year;
- B. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year;
- C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year;
- D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year;
- E. The District's budget for the calendar year following the year in which the annual report is submitted;
- F. A summary of the commercial development which has occurred within the District for the report year;
- G. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;
- H. Certification of the Board that no action, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code has occurred in the report year;

- I. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.

**For the year ending December 31, 2017, the District makes the following report:**

- A. A narrative summary of the progress of the District in implementing its service plan for the report year;

No progress was made in implementing the service plan in calendar year 2017.

- B. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year;

An exemption from audit has been requested for the year ending 12/31/17.

- C. Unless disclosed within a separate schedule to the financial statements a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year ;

No capital expenditures in the development of public facilities were incurred by the District in 2017. The District anticipates constructing or acquiring the public improvements, consisting of water, sewer, storm drainage, street, safety protection, and park and recreation facilities, and the developer anticipates four phases of construction of the improvements to be completed in approximately 30 months following the commencement of construction. As of 12/31/17 no construction start date had been established.

- D. Unless disclosed within a separate schedule to the financial statement, a summary of the financial obligations of the District at the end of the report year, including:

- (i) The amount of outstanding indebtedness

The District had no outstanding debt as of 12/31/17.

- (ii) The amount and terms of any new District indebtedness or long term obligations issued in the report year;

The District issued no new debt in 2017.

- (iii) The amount of payment of retirement of existing indebtedness of the District in the report year;

The District retired no debt in 2017.

(iv) The total assessed valuation of all taxable properties within the District as of January 1 of the report year; and

The assessed valuation of the District for the report year is \$210,220.

(v) The current mill levy of the District pledged to debt retirement in the report year;

The mill levy of the District pledged to debt retirement in 2017 was -0-.

E. The District's budget for the calendar year 2018;

The budget resolution for 2018 is attached hereto as **Exhibit A**.

F. A summary of the commercial development in the District for the report year;

There was no commercial development of the District in 2017.

G. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;

There were no fees, charges or assessments imposed by the District during the report year.

H. Certification by the Board that no action, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code, as amended, has occurred in the report year;

No activity, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code occurred in the report year.

I. The name, business address and telephone number of each board member and the Board's chief administrative officer and general counsel, together with the date, place and time of regular Board meeting.

<b>President</b>	Miles Grant 9116 West Bowles Ave. #15 Littleton, CO 80123	(W): 303.979.9858 x113 (C): 303.944.1827 (F): 720.240.2890 or 303.979.9858 Email: <a href="mailto:mgrant@trail-ridge.com">mgrant@trail-ridge.com</a>
------------------	---	--

<b>Secretary/ Treasurer</b>	Ronald J. Snow 2159 South Parfet Court Lakewood, CO 80227	(W): 303.785.1670 (C): 303.601.8552 Email: <a href="mailto:rsnow@joneskeller.com">rsnow@joneskeller.com</a>
<b>Assistant Secretary</b>	Steven R. Schulz 3414 S Race St Englewood, CO 80113	(W): 303.944.1784 Email: <a href="mailto:steve.schulz@usa.net">steve.schulz@usa.net</a>
<b>Assistant Secretary</b>	Charles Wendell Ayers 26800 County Road 5 Elizabeth, CO 80107	(W): 303.888.2676 Email: <a href="mailto:Wendell@paragoneng.com">Wendell@paragoneng.com</a>
<b>General Counsel</b>	Dianne Miller Miller & Associates Law Offices, LLC 1641 California Street, Suite 300 Denver, CO 80202	(W): 303.285.5320 Email: <a href="mailto:dmiller@ddmalaw.com">dmiller@ddmalaw.com</a>

The District meets on second Tuesday of May and November at 9:00 A.M. at 1641 California Street, Suite 300, Denver, CO 80202.

The District hereby certifies that the information provided herein is true and accurate and, as of the date hereof and except as otherwise expressly stated herein, the District is in full compliance with the District's Service Plan.

HILLSIDE AT CASTLE ROCK  
METROPOLITAN DISTRICT



NOTICE AS TO PROPOSED 2018 BUDGET

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT  
NOTICE OF SPECIAL MEETING  
AND  
NOTICE AS TO PROPOSED 2018 BUDGET**

**NOVEMBER 9, 2017**

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the **HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT** (the "District") Town of Castle Rock, State of Colorado, will hold a special meeting at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202 for the purpose of conducting such business as may come before the Board.

FURTHER, NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the District for the ensuing year of 2018. A copy of the proposed budget has been filed in the office of Miller & Associates Law Offices, LLC, 1641 California Street, Suite 300, Denver, CO 80202, where the same is open for public inspection. Such proposed budget will be considered at the special meeting of the District to be held at 10:00 A.M. on Thursday, November 9, 2017. Any interested elector within the District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2018 budget.

The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS  
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT

By: /s/ MILLER & ASSOCIATES LAW OFFICES, LLC

**Agenda**

- 1) Call to Order
- 2) Declaration of Quorum
- 3) Consider Approval of January 30, 2017 Meeting Minutes
- 4) Public Hearing to Consider Approval of 2018 Budget
  - a) Adopt 2018 Budget, Certify Mill Levy, Appropriate 2018 Expenditures
- 5) Consider Approval of 2018 Annual Administrative Resolution
- 6) Consider Approval of 2017 Audit Exemption Resolution
- 7) Consider Approval of 2018 Election Resolution
- 8) Update on Status of Development
- 9) Other Business
- 10) Adjourn

**Next Regular Meeting – Tuesday of May, 8, 2018 at 9:00 A.M.**

Thereupon, Director Schulz introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2018 AND ENDING ON THE LAST DAY OF DECEMBER, 2018.

WHEREAS, the Board of Directors (the "Board") of the Hillside at Castle Rock Metropolitan District (the "District") has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed 2018 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 A.M. on Thursday, November 9, 2017, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT, TOWN OF CASTLE ROCK, DOUGLAS COUNTY, COLORADO, AS FOLLOWS:



Section 1. Summary of 2018 Revenues and 2018 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2018, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2018.

Section 3. 2018 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$0, and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 4. 2018 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$0 and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all debt retirement expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 5. Certification to County Commissioners. That the attorney for the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of the Town of Castle Rock, County of Douglas, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

Section 1. Summary of 2018 Revenues and 2018 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2018, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2018.

Section 3. 2018 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$0, and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 4. 2018 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$0 and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all debt retirement expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 5. Certification to County Commissioners. That the attorney for the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of the Town of Castle Rock, County of Douglas, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

**CERTIFICATION OF TAX LEVY**

TO THE BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, COLORADO.

Dear Commissioners:

For the year 2018, the Board of Directors of Hillside at Castle Rock Metropolitan District hereby certifies a total levy of 0.000 mills to be extended by you upon the total assessed valuation of \$210,220 to produce \$0 in revenue.

The levies and revenues are for the following purposes:

	<b>PURPOSE</b>	<b>LEVY</b>	<b>REVENUE</b>
1.	General Operating Expenses	-0- mills	\$ -0-
2.	(Minus) Temporary Property Tax Credit/Temporary Mill Levy Rate Reduction	-0- mills	\$ -0-
	<b>SUBTOTAL</b>	-0- mills	\$ -0-
3.	General Obligation Bonds and Interest *	-0- mills	\$ -0-
4.	Contractual Obligations approved at elections	-0- mills	\$ -0-
5.	Capital Expenditures levied pursuant to § 29-1-302 (1.5), C.R.S.	-0- mills	\$ -0-
6.	Refunds/Abatements	-0- mills	\$ -0-
10.	Other	-0- mills	\$ -0-
	<b>TOTAL</b>	-0- mills	\$ -0-

\* § 32-1-1603, C.R.S., requires special districts to "certify separate mill levies to the Board of County Commissioners, one each for funding requirements of each debt".

Contact Person: Dianne D. Miller

Daytime Phone: (303) 285-5320

By: \_\_\_\_\_, Legal Counsel of the District

**NOTE:** Certification **must** be to three decimal places **only**. If you are located in more than one county, please list all counties here: \_\_\_\_\_ N/A \_\_\_\_\_

IN WITNESS WHEREOF, I have hereunto set my hand on \_\_\_\_\_, \_\_\_\_\_, 2017.

\_\_\_\_\_  
Dianne D. Miller,  
Legal Counsel of the District

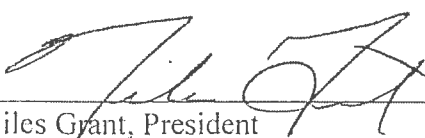
Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

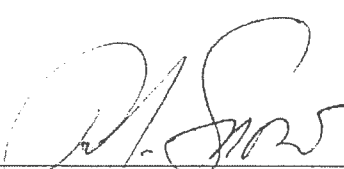
The foregoing Resolution was seconded by Director Grant.

RESOLUTION APPROVED AND ADOPTED THIS 9<sup>TH</sup> DAY OF NOVEMBER, 2017.

HILLSIDE AT CASTLE ROCK  
METROPOLITAN DISTRICT

By:   
Miles Grant, President

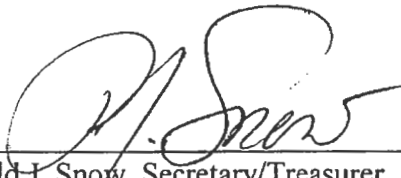
ATTEST:

  
Ronald J. Snow, Secretary/Treasurer

STATE OF COLORADO  
TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS  
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT

I, Ronald J. Snow, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the Hillside at Castle Rock Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2018; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

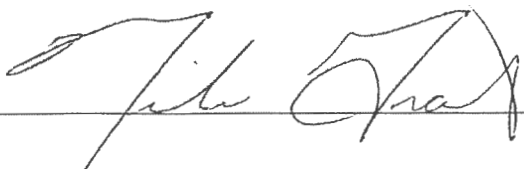
IN WITNESS WHEREOF, I have hereunto subscribed my name this 9<sup>th</sup> day of November, 2017.

  
\_\_\_\_\_  
Ronald J. Snow, Secretary/Treasurer

ACKNOWLEDGEMENT OF NOTICE AND  
APPROVAL OF RECORD OF PROCEEDINGS

We, the undersigned members of the Board of Directors of the Hillside at Castle Rock Metropolitan District, Town of Castle Rock, Douglas County, Colorado, do hereby acknowledge receipt of proper notice of the meeting of the Board held at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202, informing of the date, time and place of the meeting and the purpose for which it was called, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.

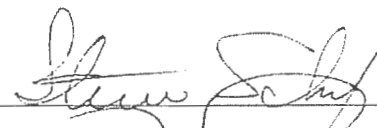
---




---

Charles Wendell Ayres

---



---



---

**EXHIBIT A  
BUDGET DOCUMENT  
BUDGET MESSAGE  
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT  
2018 BUDGET**

	<u>Actual 2016</u>	<u>Estimated 2017</u>	<u>Proposed 2018</u>
Beginning Funds Available	\$ -	\$ -	\$ 1,350
Revenue:			
Property Taxes	0	0	0
Services	0	0	0
Refund	0	0	0
Other/Miscellaneous (Contributions)	0	0	0
Specific Ownership Taxes	0	0	0
Developer Advances	0	45,000	43,650
Total Revenue	<u>0</u>	<u>45,000</u>	<u>43,650</u>
Total Funds Available	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>
Expenditures			
County Treasurer's Collection Fees	0	0	0
Insurance and Bonds	0	2,800	2,800
Accounting and Legal	0	40,850	38,350
Election Costs	0	0	2,500
Capital Improvements	0	0	0
Utilities (Public Service)	0	0	0
Miscellaneous	0	0	0
Directors' Fees	0	0	0
Developer Reimbursement	0	0	0
Total Expenditures	<u>0</u>	<u>43,650</u>	<u>43,650</u>
Ending Funds Available	<u>0</u>	<u>1,350</u>	<u>1,350</u>
Emergency Reserve	0	1,310	1,310
MILL LEVY			
Certified Assessed Valuation	0	0	210,220
Mill Levy-General	0.000	0.000	0.000
Property Taxes (est.)	0	0	0

Note: Hillside at Castle Rock Metropolitan District was formed on December 19, 2016.



**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT  
2018 BUDGET**

**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Through its Service Plan, the Hillside at Castle Rock Metropolitan District (the "District") is authorized to finance certain streets, street lighting, traffic and safety controls, sewer improvements, landscaping, and park and recreation improvements.

Revenue

Developer Advance

The primary source of funds for 2018 is developer advances.

Expenditures

Administrative Expenses

Administrative expenses have been primarily for legal services, insurance and accounting costs.

Funds Available

The District's budget exists from the developer's advances to cover the District's operations, including its administrative functions.

Accounting Method

The District prepares its budget on the modified accrual basis of accounting.

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of County of Douglas, Colorado.

On behalf of the Hillside at Castle Rock Metropolitan District  
(taxing entity)<sup>A</sup>  
 the Board of Directors  
(governing body)<sup>B</sup>  
 of the Hillside at Castle Rock Metropolitan District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 210,220 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 210,220 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10.

Submitted: 12/12/2017 for budget/fiscal year 2018  
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>          </u> > mills	\$ < <u>          </u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>0.000</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0</u> mills	\$ <u>0</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<u>0.000</u> mills	\$ <u>0</u>

Contact person: Marisa Davis Daytime phone: (303) 285-5320  
 Signed: *Marisa Davis* Title: Paralegal

Include one copy of this tax entity's completed form when filing the local government's budget by January 31<sup>st</sup>, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).