

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2024**

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The Board of Directors of Spring Hill Metropolitan District No. 4 (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”), held a special meeting, via teleconference on November 16, 2023, at the hour of 2:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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## NOTICE AS TO PROPOSED 2024 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGETS  
AND**

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGETS**

The Boards of Directors (collectively the "Boards") of the SPRING HILL METROPOLITAN DISTRICT NOS. 1-4 (collectively the "Districts"), will hold a public hearing via teleconference on November 16, 2023, at 2:30 p.m., to consider adoption of the Districts' proposed 2024 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2023 budgets (the "Amended Budgets"). This public hearing may be joined using the following teleconference information:

<https://us06web.zoom.us/j/83184485213?pwd=VrnNHVks0ZmpjYkpPbjIMdm9VdG9Zdz09>  
Meeting ID: 831 8448 5213  
Passcode: 155542  
Call-in Number: +1-720-707-2699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111. Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

The agenda for any meeting may be obtained at <https://springhillmetrodistrict.com/> or by calling (303) 858-1800. BY ORDER OF THE BOARDS OF DIRECTORS:

SPRING HILL METROPOLITAN DISTRICT NOS. 1-4, quasi-municipal corporations and political subdivisions of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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**Prairie Mountain Media, LLC**

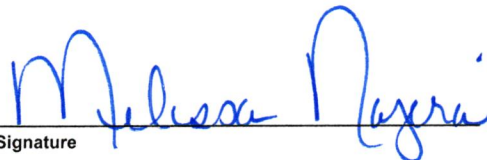
**PUBLISHER'S AFFIDAVIT**

**County of Boulder  
State of Colorado**

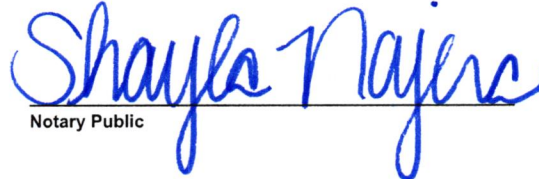
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Nov 8, 2023

  
Signature

Subscribed and sworn to me before me this  
8th day of November 2023.

  
Notary Public

(SEAL)

**SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025**

Account: 1051175  
Ad Number: 2014468  
Fee: \$33.93

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 15.421 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 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.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 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.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 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.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED NOVEMBER 16, 2023.

**DISTRICT:**

**SPRING HILL METROPOLITAN DISTRICT  
NO. 4**, a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: Sarah Hunsche  
Officer of the District

Attest:

By: Corey Elliott  
Corey Elliott (Nov 17, 2023 10:36 MST)

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

Kristen B. Tompkins  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF WELD  
SPRING HILL METROPOLITAN DISTRICT NO. 4

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, November 16, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day  
of November, 2023.

Corey Elliott  
Corey Elliott (Nov 17, 2023 10:36 MST)  
Signature

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

**SPRING HILL METROPOLITAN DISTRICT NO. 4**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**



**SPRING HILL METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/24

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ (29,332)       | \$ 200         |
| REVENUES  |                |                   |                |
| Property taxes  | -              | 5,677             | 4,550          |
| Specific ownership taxes  | -              | 194               | 182            |
| Developer advance   | 43,426         | 100,161           | 120,268        |
| Total revenues  | 43,426         | 106,032           | 125,000        |
| Total funds available   | 43,426         | 76,700            | 125,200        |
| EXPENDITURES  |                |                   |                |
| General and administrative                                      |                |                   |                |
| Accounting  | 9,869          | 23,000            | 40,000         |
| Auditing  | -              | 6,500             | 6,500          |
| County Treasurer's fee  | -              | 85                | 68             |
| Dues and membership   | 650            | 1,047             | 1,500          |
| Election  | 466            | 2,306             | -              |
| Engineering   | 5,734          | -                 | -              |
| Insurance   | 3,520          | 8,008             | 14,000         |
| Legal   | 51,494         | 30,000            | 60,000         |
| Miscellaneous/Contingency                                       | 1,025          | 5,554             | 2,932          |
| Total expenditures  | 72,758         | 76,500            | 125,000        |
| Total expenditures and transfers out<br>requiring appropriation | 72,758         | 76,500            | 125,000        |
| ENDING FUND BALANCES  | \$ (29,332)    | \$ 200            | \$ 200         |
| EMERGENCY RESERVE   | \$ -           | \$ 200            | \$ 200         |
| TOTAL RESERVE   | \$ -           | \$ 200            | \$ 200         |

**SPRING HILL METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/24

| ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|----------------|-------------------|----------------|
|----------------|-------------------|----------------|

**ASSESSED VALUATION**

|                          |             |                   |                   |
|--------------------------|-------------|-------------------|-------------------|
| Agricultural             | \$ -        | \$ 58,620         | \$ 56,910         |
| State assessed           | -           | 259,180           | 5,150             |
| Other - Oil & Gas        | -           | 54,880            | 232,990           |
| Certified Assessed Value | <u>\$ -</u> | <u>\$ 372,680</u> | <u>\$ 295,050</u> |

**MILL LEVY**

|                 |              |               |               |
|-----------------|--------------|---------------|---------------|
| General         | 0.000        | 15.232        | 15.421        |
| Total mill levy | <u>0.000</u> | <u>15.232</u> | <u>15.421</u> |

**PROPERTY TAXES**

|                         |             |                 |                 |
|-------------------------|-------------|-----------------|-----------------|
| General                 | \$ -        | \$ 5,677        | \$ 4,550        |
| Budgeted property taxes | <u>\$ -</u> | <u>\$ 5,677</u> | <u>\$ 4,550</u> |

**BUDGETED PROPERTY TAXES**

|         |             |                 |                 |
|---------|-------------|-----------------|-----------------|
| General | \$ -        | \$ 5,677        | \$ 4,550        |
|         | <u>\$ -</u> | <u>\$ 5,677</u> | <u>\$ 4,550</u> |

**SPRING HILL METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Spring Hill Metropolitan District No. 4 ("District"), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in the Town of Erie, Colorado ("Town"). The District was established to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of public improvements, including streets improvements, traffic and safety controls, park and recreation improvements and facilities, drainage improvements, and irrigation system, and all related operation and maintenance services.

The Town approved a Consolidated Service Plan, on October 26, 2021, for the District and Spring Hill Metropolitan District Nos. 1, 2, and 4. Such Service Plan limits the aggregate amount of debt that they may issue together to \$60,000,000.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**SPRING HILL METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

| <b>Category</b>           | <b>Rate</b> |  | <b>Category</b>       | <b>Rate</b> |  | <b>Actual Value Reduction</b> | <b>Amount</b> |
|---------------------------|-------------|--|-----------------------|-------------|--|-------------------------------|---------------|
| Single-Family Residential | 6.70%       |  | Agricultural Land     | 26.40%      |  | Single-Family Residential     | \$55,000      |
| Multi-Family Residential  | 6.70%       |  | Renewable Energy Land | 26.40%      |  | Multi-Family Residential      | \$55,000      |
| Commercial                | 27.90%      |  | Vacant Land           | 27.90%      |  | Commercial                    | \$30,000      |
| Industrial                | 27.90%      |  | Personal Property     | 27.90%      |  | Industrial                    | \$30,000      |
| Lodging                   | 27.90%      |  | State Assessed        | 27.90%      |  | Lodging                       | \$30,000      |
|                           |             |  | Oil & Gas Production  | 87.50%      |  |                               |               |

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 4% of the property taxes collected by the General Fund.

**Developer Advances**

The District is in development stage. As such, general and administrative expenditures will be partially funded by the Developer. Developer advances are recorded as revenues for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds or other legally available revenues.

**Expenditures**

**General and Administrative**

General and administrative expenditures include costs of estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and dues.

**Debt and Leases**

The District has no outstanding debt, nor any operating or capital leases.

**SPRING HILL METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

The District has provided for emergency reserve fund equal to 3% of fiscal year spending in 2024, as defined under TABOR.

**This information is an integral part of the accompanying budget.**