

RESOLUTION
ADOPTING BUDGET, AND APPROPRIATING SUMS OF MONEY
AND CERTIFYING MILL LEVIES FOR THE CALENDAR YEAR 2026

The Board of Directors of Spring Hill Metropolitan District No. 3 (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”), held a special meeting, via teleconference on November 19, 2025, at the hour of 10:45 a.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 2026 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2026 BUDGETS
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2025 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 19, 2025, at 10:45 A.M. to consider adoption of the Districts' proposed 2026 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2025 budgets (the "Amended Budgets").

The public hearing can be joined using the following teleconference information:

<https://us06web.zoom.us/j/81542062222?pwd=FCZwZ0ZtbnN3snaW3laqNHOCNbrWU.1>
Meeting ID: 815 4206 2222
Passcode: 620891
Call-in Number: +17207072699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 2001 16th St, Suite 1700, Denver, CO 80202.

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/ WBA, PC

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Prairie Mountain Media, LLC

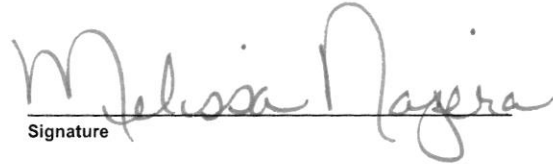
PUBLISHER'S AFFIDAVIT

**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 12, 2025


Signature

Subscribed and sworn to me before me this

12th day of November 2025.


Notary Public

(SEAL)

**SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES JULY 31, 2029**

Account: 1051175
Ad Number: 2142740
Fee: \$49.72

WHEREAS, the Board has appointed 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 available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final 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 2026. 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 of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. 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 4. 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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 7. 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 19, 2025.

DISTRICT:

SPRING HILL METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Sarah Hunsche*
Officer of the District

ATTEST:

By: 
Chris Elliott (Nov 22, 2025 13:46:45 MST)

STATE OF COLORADO
COUNTY OF WELD
SPRING HILL METROPOLITAN DISTRICT NO. 3

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 Wednesday, November 19, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 22nd day of November, 2025.


Chris Elliott (Nov 22, 2025 13:46:45 MST)
Signature

[Signature page to Resolution Adopting Budget, and Appropriating Sums of Money and Certifying Mill Levies for the Calendar Year 2026]

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SPRING HILL METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2026

**SPRING HILL METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 23,221,180	\$ 831,142	\$ 576,687
REVENUES			
Property taxes	1,440	573	639
Specific ownership taxes	95	24	26
Interest income	486,764	30,100	17,100
Developer advance - District eligible costs	-	-	15,000,000
Intergovernmental revenue - District No. 1	13,321	2,534	2,581
Intergovernmental revenue - District No. 2	863	717	698
Total revenues	<u>502,483</u>	<u>33,948</u>	<u>15,021,044</u>
TRANSFERS IN	<u>18,430,751</u>	-	-
Total funds available	<u>42,154,414</u>	<u>865,090</u>	<u>15,597,731</u>
EXPENDITURES			
Debt Service Fund	22,892,521	288,403	200,000
Capital Projects Fund	-	-	15,002,666
Total expenditures	<u>22,892,521</u>	<u>288,403</u>	<u>15,202,666</u>
TRANSFERS OUT	<u>18,430,751</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>41,323,272</u>	<u>288,403</u>	<u>15,202,666</u>
ENDING FUND BALANCES	<u>\$ 831,142</u>	<u>\$ 576,687</u>	<u>\$ 395,065</u>
SENIOR SURPLUS FUND (MAX: \$544,000)	\$ 544,000	\$ 544,000	\$ 395,065
CAPITALIZED INTEREST/ BOND FUND	284,676	30,121	-
TOTAL RESERVE	<u>\$ 828,676</u>	<u>\$ 574,121</u>	<u>\$ 395,065</u>

See summary of significant assumptions.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Agricultural	\$ 7,500	\$ 7,500	\$ 7,320
State assessed	-	2,100	3,500
Other - Oil & Gas	39,020	-	-
Certified Assessed Value	\$ 46,520	\$ 9,600	\$ 10,820
MILL LEVY			
Debt Service	56.704	59.706	59.073
Total mill levy	56.704	59.706	59.073
PROPERTY TAXES			
Debt Service	2,638	573	639
Levied property taxes	2,638	573	639
Adjustments to actual/rounding	(1,198)	-	-
Budgeted property taxes	\$ 1,440	\$ 573	\$ 639
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Debt Service	1,440	573	639
	\$ 1,440	\$ 573	\$ 639

See summary of significant assumptions.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 5,083,844	\$ 828,676	\$ 574,121
REVENUES			
Property taxes	1,440	573	639
Specific ownership taxes	95	24	26
Interest income	190,883	30,000	17,000
Intergovernmental revenue - District No. 1	13,321	2,534	2,581
Intergovernmental revenue - District No. 2	863	717	698
Total revenues	<u>206,602</u>	<u>33,848</u>	<u>20,944</u>
TRANSFERS IN			
Transfers from other funds	<u>18,430,751</u>	-	-
Total funds available	<u>23,721,197</u>	<u>862,524</u>	<u>595,065</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	22	9	10
Trustee fees	6,500	6,500	6,500
Bond interest - Series 2022A	713,272	183,600	183,600
Bond interest - Series 2022B	483,727	57,294	-
Bond principal - Series 2022A	18,585,000	-	-
Bond principal - Series 2022B	3,104,000	41,000	-
Contingency	-	-	9,890
Total expenditures	<u>22,892,521</u>	<u>288,403</u>	<u>200,000</u>
Total expenditures and transfers out requiring appropriation	<u>22,892,521</u>	<u>288,403</u>	<u>200,000</u>
ENDING FUND BALANCES	<u>\$ 828,676</u>	<u>\$ 574,121</u>	<u>\$ 395,065</u>
SENIOR SURPLUS FUND (MAX: \$544,000)	\$ 544,000	\$ 544,000	\$ 395,065
CAPITALIZED INTEREST/ BOND FUND	284,676	30,121	-
TOTAL RESERVE	<u>\$ 828,676</u>	<u>\$ 574,121</u>	<u>\$ 395,065</u>

See summary of significant assumptions.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 18,137,336	\$ 2,466	\$ 2,566
REVENUES			
Interest income	295,881	100	100
Developer advance - District eligible costs	-	-	15,000,000
Total revenues	<u>295,881</u>	<u>100</u>	<u>15,000,100</u>
Total funds available	<u>18,433,217</u>	<u>2,566</u>	<u>15,002,666</u>
EXPENDITURES			
Capital Projects			
Public improvements - District eligible costs	-	-	15,000,000
Contingency	-	-	2,666
Total expenditures	<u>-</u>	<u>-</u>	<u>15,002,666</u>
TRANSFERS OUT			
Transfers to other fund	<u>18,430,751</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>18,430,751</u>	<u>-</u>	<u>15,002,666</u>
ENDING FUND BALANCES	<u>\$ 2,466</u>	<u>\$ 2,566</u>	<u>\$ -</u>

See summary of significant assumptions.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Spring Hill Metropolitan District No. 3 (“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.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**SPRING HILL METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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 total property taxes collected.

Developer Advances

The District is in development stage. Certain capital expenditures will be funded by the Developer, such expenditures are related to public improvements to be constructed within the boundaries of the District. 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.

Intergovernmental Revenue

Pursuant to a certain capital pledge agreement, District Nos. 1 and 2 are expected to transfer tax revenues, net of collection fees, to the District for the purpose of paying debt service on the Bonds.

Interest Income

Interest earned on the District's available funds has been established on an average interest rate of approximately 3.50%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

Capital Outlay

The District expects to acquire public improvements constructed by the Developer on behalf of the District.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On October 5, 2022, the District issued the Senior Bonds and the Subordinate Bonds in the par amounts of \$21,305,000 and \$3,464,000, respectively. The Senior Bonds were issued for the purpose of (i) financing public improvements related to the development, (ii) funding capitalized interest on the Senior Bonds, (iii) funding the initial deposit to the Surplus Fund, and (iv) paying for issuance costs. The Subordinate Bonds were issued for the purpose of (i) financing additional public improvements related to the development, and (ii) paying for issuance costs.

The Series 2022A Senior Bonds will bear interest at the rate of 6.750% per annum, payable semiannually on June 1 and December 1, beginning on December 1, 2022. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2029.

The Series 2022B(3) Subordinate Bonds will bear interest at the rate of 9.500% per annum, payable annually on December 15, beginning on December 15, 2022, and to the extent of Subordinate Pledged Revenue available, if any, and mature on December 15, 2045. The Subordinate Bonds are structured as cash flows bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

On October 25, 2022, the District issued the Second Subordinate General Obligation Limited Tax Bonds, Series 2022C(3), in the aggregate principal amount of up to \$17,519,000. The Second Subordinate Bonds were issued to the ME Erie, LLC (Developer) to reimburse existing and future advances when and if made, pursuant to a certain Infrastructure Acquisition and Reimbursement Agreement between the Spring Hill districts and the Developer. The Second Subordinate Bonds will bear interest at the rate of 4.000% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Second Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2022. The first draw, in the amount of \$50,001, was made during 2022.

On May 3, 2024, partial redemption of the Series 2022A Senior Bonds in the amount of \$18,585,000 and partial redemption of the 2022B(3) Subordinate Bonds in the amount of \$3,104,000 occurred in accordance with the Indentures.

The District has no operating or capital leases.

Reserves

Emergency Reserves

The District has not provided for emergency reserve fund equal to 3% of fiscal year spending, as defined under TABOR, because the District does not have operating revenue and expenditures.

This information is an integral part of the accompanying budget.

**SPRING HILL METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$21,305,000 Series 2022A Senior Bonds
General Obligation Limited Tax Bonds
Dated October 5, 2022
Interest Rate 6.750%**

Year Ended December 31,	Interest and Principal Payable December 1		
	Principal	Interest	Total
2026	\$ -	\$ 183,600	\$ 183,600
2027	-	183,600	183,600
2028	-	183,600	183,600
2029	-	183,600	183,600
2030	-	183,600	183,600
2031	15,000	183,600	198,600
2032	25,000	182,588	207,588
2033	25,000	180,900	205,900
2034	35,000	179,213	214,213
2035	35,000	176,850	211,850
2036	50,000	174,488	224,488
2037	55,000	171,112	226,112
2038	65,000	167,400	232,400
2039	70,000	163,012	233,012
2040	85,000	158,287	243,287
2041	90,000	152,550	242,550
2042	110,000	146,475	256,475
2043	115,000	139,050	254,050
2044	135,000	131,288	266,288
2045	145,000	122,175	267,175
2046	165,000	112,388	277,388
2047	180,000	101,250	281,250
2048	200,000	89,100	289,100
2049	215,000	75,600	290,600
2050	245,000	61,088	306,088
2051	260,000	44,550	304,550
2052	400,000	27,000	427,000
	<u>\$ 2,720,000</u>	<u>\$ 3,857,963</u>	<u>\$ 6,577,963</u>

See summary of significant assumptions.