

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2023**

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The Board of Directors of Saddlehorn Ranch Metropolitan District No. 2 (the “**Board**”), El Paso County, Colorado (the “**District**”), held a regular meeting, via teleconference and at 731 North Weber, Suite 10, Colorado Springs, Colorado on December 9, 2022, at the hour of 9:00 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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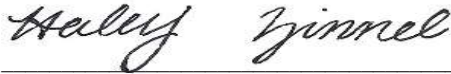
## NOTICE AS TO PROPOSED 2023 BUDGET

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Haley Zinnel, being first duly sworn, deposes and says that he is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper  
**1 time(s) to wit 12/03/2022**

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.

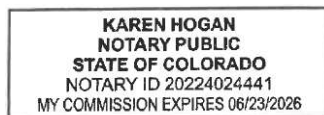


Haley Zinnel  
Sales Center Agent

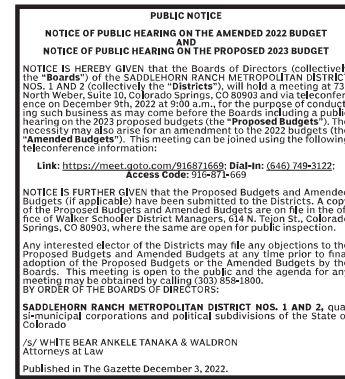
Subscribed and sworn to me this 12/05/2022, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires June 23, 2026.



Karen Hogan  
Notary Public  
The Gazette



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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 2023. 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 2023 budget year, there is hereby levied a tax of 10.000 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 2023 budget year, there is hereby levied a tax of 50.000 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 2023 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 2023 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 El Paso 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 DECEMBER 9, 2022.

**DISTRICT:**

**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Bill Guman*  
Bill Guman (Dec 20, 2022 16:30 MST)  
Officer of the District

Attest:

By: *Jeffrey Book*  
Jeffrey Book (Dec 22, 2022 16:10 MST)

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

*Blair Dickhoner*  
Blair Dickhoner (Dec 20, 2022 18:10 EST)  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF EL PASO  
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

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 at 731 North Weber, Suite 10, Colorado Springs, Colorado and via teleconference on Friday, December 9, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20 day of December 2022.

*Kevin Walker*

**EXHIBIT A**

**BUDGET DOCUMENT**

**BUDGET MESSAGE**

**BUDGET MESSAGE**  
(Pursuant to § 29-1-103(1) (e), C.R.S.)

**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2**

The attached 2023 Budget for Saddlehorn Ranch Metropolitan District No. 2 includes these important features:

Saddlehorn Ranch Metropolitan Districts Nos. 1-2 are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act. The districts were created under the Service District/Financing District structure under El Paso County policies. District No. 1 is intended to be the service district.

District No. 2 is intended to be the service district with the primary purposes of 1) financing and construction of Public Improvements identified in the Service Plan; 2) any ongoing operation and maintenance of the Public Improvements not otherwise dedicated to another entity and; 3) The district's budget strategy is to perform these activities as cost effectively as possible.

The Budgetary basis of accounting timing measurement method used is the modified accrual basis.

**REVENUE**

The primary source of revenue for the district in 2023 is tax collections. The district will impose a mill levy in 2023. 10.000 mills - (general fund) 50.000 mills - (debt service fund) 0.000 mills - (capital projects fund)

**EXPENDITURES**

The district has adopted four separate funds - a General Fund to provide for administrative and operating expenditures, a Capital Projects fund to account for the construction and/or acquisition of public infrastructure as provided for in the service plan, a Water Operations Fund to account for revenues and expenditures related to providing water services to residents (currently inactive), and a Water Capital/Debt Service Fund to account for the construction of and financing of the water infrastructure.



**GENERAL FUND**

## GENERAL FUND BEGINNING BALANCE

## REVENUES

PROPERTY TAXES	387.00	\$	387	3,820
SPECIFIC OWNERSHIP TAXES	40.00	\$	93	267
DEVELOPER ADVANCES				
INTEREST EARNINGS				
OTHER				

TOTAL REVENUES	427.00	\$	480	\$	4,087
TOTAL REVENUES AND FUND BALANCE	427.00	\$	901	\$	4,087

## EXPENDITURES

ACCOUNTING			
AUDIT		\$	-
LEGAL SERVICES			
INSURANCE & SDA DUES		\$	500
OFFICE SUPPLIES, BANK & BILL.COM FEES			
TREASURERS FEE	6.00	\$	6
CONTINGENCY			57

TOTAL EXPENDITURES	6.00	\$	506	\$	57
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TRANSFER TO DISTRICT NO.1	\$	395	4030
DEVELOPER ADVANCE/(REPAYMENTS)			

TOTAL EXPENDITURES & TRANSFERS	6.00	\$	901	\$	4,087
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**ENDING FUND BALANCE**

EMERGENCY RESERVE 3%

ASSESSED VALUATION	3,720	38,690	\$	38,690	381,980
MILL LEVY	10.000	10.000		10.000	10.000

**SADDLEHORN RANCH METROPOLITAN DISTRICT #2**  
**2023 BUDGET**  
**DEBT SERVICE FUND**

	2021 ACTUAL	2022 PROJ/ AMEND	2022 BUDGET	2023 BUDGET
DEBT SERVICE FUND BEGINNING BALANCE		-	\$ 2,081	
SERIES 2023:REVENUE				
REVENUE SERIES 2023 A BOND			15,495,000	15,495,000
PROPERTY TAX		1,935	\$ 1,935	19,099
SPECIFIC OWNERSHIP TAX		175	\$ 135	1,337
TRANSFERS IN FROM OPERATING ACCOUNT				
INTEREST INCOME				
TOTAL INFLOWS & REVENUES	-	2,110	\$ 15,497,070	\$ 15,515,436
SERIES 2021A - PRINCIPAL AND INTEREST			\$ 3,952	
TRANSFER TO DISTRICT NO 2 CAPITAL PROJECT FUND		-	\$ 14,935,000	\$ 14,935,000
COSTS OF ISSUANCE			560,000	\$ 560,000
UNDERWRITERS DISCOUNT		29		
TREASURERS FEE			\$ 29	\$ 286
BANK CHARGE				
TOTAL OUTFLOWS	-	29	\$ 15,498,981	\$ 15,495,286
ENDING BALANCE	-	2,081	\$ 170	20,149
ASSESSED VALUATION	3,720	38,690	\$ 38,690	381,980
MILL LEVY	50.000	50.000	50.000	50.000
TOTAL MILL LEVY	60.000	60.000	60.000	60.000

**SADDLEHORN RANCH METROPOLITAN DISTRICT #2**  
**2022 BUDGET**  
**CAPITAL PROJECTS FUND**

	2021 ACTUAL	2022 PROJ / AMEND	2022 BUDGET	2023 BUDGET
CAPITAL PROJECTS FUND BEGINNING BALANCE		-	-	
SERIES 2023:REVENUE				
REVENUE SERIES 2023 BOND		-	14,935,000	14,935,000
TAP FEES		-	-	
SPECIFIC OWNERSHIP TAX		-	-	
TRANSFERS IN FROM OPERATING ACCOUNT				
TRANSFERS IN FROM D2 AND D3 DEBT SERVICE				
INTEREST INCOME			-	
TOTAL INFLOWS & REVENUES	-	-	14,935,000	14,935,000
RAW WATER PURCHASE			2,200,000	2,200,000
WATER LINES			1,436,371	1,436,371
WATER TREATMENT PLANT			4,180,000	4,180,000
VEHICLES			-	-
EROSION CONTROL			1,132,500	1,132,500
EARTHWORK			1,021,000	1,021,000
ENTRYWAY			150,000	150,000
STORM DRAIN			750,000	750,000
STREETS			3,000,000	3,000,000
TRAFFIC CONTROL			100,000	100,000
CONSULTING AND CONSTRUCTION MANAGEMENT			450,000	450,000
ACCOUNTING, LEGAL & OTHER PROFESSIONAL				
CONTINGENCY		-	500,000	500,000
TRANSFER TO WATER OPERATIONS FUND		-		
TOTAL OUTFLOWS	-	-	14,919,871	14,919,871
ENDING BALANCE	-	-	15,129	15,129