

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

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The Board of Directors of Summerfield Metropolitan District No. 2 (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 26, 2023, at 10:00 AM.

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 SUMMERFIELD METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a public hearing via teleconference on October 26, 2023, at 10:00 AM, 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:

Zoom Meeting Link:  
<https://us06web.zoom.us/j/87244968349?pwd=3NtrFZEcyVAvsN27O9bkujD8cAcUy.1>  
Meeting ID: 872 4496 8349  
Passcode: 600749  
Call In Numbers: 1(719) 359-4580 or 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://www.summerfieldmetrodistricts.org/> or by calling (303) 858-1800.  
BY ORDER OF THE BOARDS OF DIRECTORS:

SUMMERFIELD METROPOLITAN DISTRICT NOS. 1-3, quasi-municipal corporations and political subdivisions of the State of Colorado  
/s/ WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

Published: Colorado Hometown Weekly October 18, 2023-2010245

**Prairie Mountain Media, LLC**

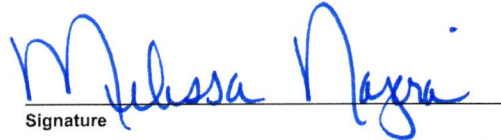
**PUBLISHER'S AFFIDAVIT**

**County of Boulder  
State of Colorado**

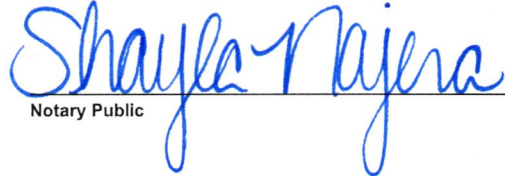
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

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):

Oct 18, 2023

  
\_\_\_\_\_  
Signature

Subscribed and sworn to me before me this  
18<sup>th</sup> day of October 2023.

  
\_\_\_\_\_  
Notary Public

(SEAL)

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

Account: 1051175  
Ad Number: 2010245  
Fee: \$35.67

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 59.403 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.

*[Remainder of Page Intentionally Left Blank]*

ADOPTED OCTOBER 26, 2023.

**DISTRICT:**

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

By: Jon Lee  
Jon Lee (Nov 30, 2023 10:56 MST)  
Officer of the District

Attest:

By: Jessie Butler

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

[Signature]  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF WELD  
SUMMERFIELD 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 via teleconference on October 26, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of October, 2023.

Jessie Butler

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

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**



**SUMMERFIELD METRO DISTRICT NO. 2  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Commercial	\$ 45,760	\$ 45,510	\$ 220
Industrial	116,340	116,340	172,170
Agricultural	43,270	39,420	38,850
State assessed	301,270	799,760	47,460
Oil and gas	23,838,690	105,517,730	82,971,290
	<u>24,345,330</u>	<u>106,518,760</u>	<u>83,229,990</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 24,345,330</u>	<u>\$ 106,518,760</u>	<u>\$ 83,229,990</u>
<b>MILL LEVY</b>			
General	55.663	57.220	59.403
Total mill levy	<u>55.663</u>	<u>57.220</u>	<u>59.403</u>
<b>PROPERTY TAXES</b>			
General	\$ 1,355,134	\$ 6,095,003	\$ 4,944,111
Levied property taxes	1,355,134	6,095,003	4,944,111
Refunds and abatements	-	(11,271)	-
Budgeted property taxes	<u>\$ 1,355,134</u>	<u>\$ 6,083,732</u>	<u>\$ 4,944,111</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 1,355,134</u>	<u>\$ 6,083,732</u>	<u>\$ 4,944,111</u>
	<u>\$ 1,355,134</u>	<u>\$ 6,083,732</u>	<u>\$ 4,944,111</u>

**SUMMERFIELD METRO DISTRICT NO. 2  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 190,840	\$ 237,525	\$ 6,390,837
<b>REVENUES</b>			
Property taxes	1,354,280	6,082,737	4,944,111
Specific ownership taxes	80,204	263,000	197,764
Interest income	6,648	150,000	330,000
Transfers from Summerfield Metro District No. 1	9,281	16,228	15,500
Bond issuance proceeds	-	-	10,055,000
Total revenues	<u>1,450,413</u>	<u>6,511,965</u>	<u>15,542,375</u>
Total funds available	<u>1,641,253</u>	<u>6,749,490</u>	<u>21,933,212</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	4,539	4,000	4,000
Auditing	1,811	9,975	6,500
County Treasurer's fee	20,314	91,425	74,162
Dues and membership	-	347	400
Insurance	2,156	1,906	2,100
Miscellaneous	3,907	1,000	2,500
Loan fees	41,455	-	100,000
Developer advance - interest expense	225,053	-	-
Transfers to Summerfield Metro District No. 1	37,500	250,000	250,000
Capital outlay	1,066,993	-	10,055,000
Contingency	-	-	7,058
Total expenditures	<u>1,403,728</u>	<u>358,653</u>	<u>10,501,720</u>
Total expenditures and transfers out requiring appropriation	<u>1,403,728</u>	<u>358,653</u>	<u>10,501,720</u>
ENDING FUND BALANCES	<u>\$ 237,525</u>	<u>\$ 6,390,837</u>	<u>\$ 11,431,492</u>
EMERGENCY RESERVE	\$ 43,600	\$ 195,400	\$ 466,300
AVAILABLE FOR OPERATIONS	193,925	6,195,437	10,965,192
TOTAL RESERVE	<u>\$ 237,525</u>	<u>\$ 6,390,837</u>	<u>\$ 11,431,492</u>

No assurance provided. See summary of significant assumptions.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

In accordance with its Service Plan, Summerfield Metropolitan District No. 1 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed \$100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

The District has no employees and all operations and administrative functions are contracted.

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

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 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.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

**Intergovernmental Transfers**

The District expects to receive funds from Summerfield Metropolitan District No. 1 for the purposes of funding administrative expenditures.

**Bond proceeds**

The District anticipates issuing fill-up notes in 2024.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative**

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

**Intergovernmental Transfers**

The District expects to transfer funds to Summerfield Metropolitan District No. 1 for the purposes of funding operations, administrative and capital outlay expenditures.

**Debt and Leases**

The District anticipates issuing fill-up notes in 2024.

The District has no leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

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