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

The Board of Directors of Sweetgrass Metropolitan District No. 2 (the "**Board**"), City of Dacono, Weld County, Colorado (the "**District**"), held a regular meeting, via teleconference on October 23, 2025, at the hour of 1:00 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 2026 BUDGET

DODGE CONSTRUCTION NETWORK

AFFIDAVIT

Invoice #: 340961508
Account #: A30032496
Invoice Date: 10/13/2025

BILL TO:
White Bear Ankele Tanaka & Waldron
Alecia K. Roberts
2154 EAST COMMONS AVENUE, SUITE 2000
CENTENNIAL CO 80122

ADVERTISER:

PUBLICATION: Denver Daily Journal - Legal

STATE OF COLORADO
COUNTY OF DENVER

I, Cynthia Serrano, OF THE COUNTY OF MERCER, STATE OF NEW JERSEY, HAVING DULY BEEN SWORN, DEPOSES AND SAYS:
I AM NOW AND AT ALL TIMES HEREINAFTER MENTIONED A CITIZEN OF THE UNITED STATES OF AMERICA, OVER TWENTY-ONE YEARS OF AGE, AND COMPETENT TO BE A WITNESS ON THE HEARING OF THE MATTERS MENTIONED IN THE ANNEXED PRINTED COPY NOTICE HEREINAFTER SET FORTH; I HAVE NO INTEREST WHATSOEVER IN ANY OF THE SAID MATTERS; I AM NOW AND DURING ALL TIIMES EMBRACED IN THE PUBLICATION HERIN MENTIONED AS THE CHIEF CLERK OF THE NEWSPAPER, A NEWSPAPER OF GENERAL CIRCULATION PRINTED AND PUBLISHED IN SAID COUNTY; AS CLERK DURING ALL TIMES MENTIONED IN THE AFFIDAVIT I HAVE HAD AND STILL HAVE CHARGE OF ALL ADVERTISEMENT AND NOTICES PUBLISHED IN SAID NEWSPAPER; THAT SAID LEGAL NOTICE OF WHICH THE ANNEXED IS A TRUE PRODUCTION COPY OF THE PRINTED PAGE IN WHICH THE ADVERTISEMENT WAS PUBLISHED IN THE ABOVE NAMED NEWSPAPER ON THE FOLLOWING DAYS TO WIT:

10/13/2025
Ad Caption: NOTICE OF PUBLIC HEARING ON THE PROPOSED 2026 BUDGET AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2025 BUDGET; THE VILLAS AT EASTLAKE RESERVOIR METROPOLITAN DISTRICT

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

SIGNED,

Cynthia Serrano

CLERK

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 OCTOBER 23, 2025.

DISTRICT:

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

By: Jon R Lee
Jon R Lee (Dec 4, 2025 11:47:28 MST)
Officer of the District

ATTEST:

By: Michelle Laine
Michelle Laine (Dec 9, 2025 08:40:34 MST)

STATE OF COLORADO
COUNTY OF WELD
SWEETGRASS 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 Thursday, October 23, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23rd day of October, 2025.

Michelle Laine
Michelle Laine (Dec 9, 2025 08:40:34 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

SWEETGRASS METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2026

SWEETGRASS METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 616,614	$ 904,644	$ 650,598
REVENUES			
Property taxes	853,682	862,019	885,201
Specific ownership taxes	30,901	37,800	35,408
Interest Income	41,883	40,000	10,000
Other Revenue	13,361	7,500	7,500
Total revenues	939,827	947,319	938,109
TRANSFERS IN	-	-	338,267
Total funds available	1,556,441	1,851,963	1,926,974
EXPENDITURES			
General Fund	651,797	1,201,365	70,000
Debt Service Fund	-	-	910,548
Total expenditures	651,797	1,201,365	980,548
TRANSFERS OUT	-	-	338,267
Total expenditures and transfers out requiring appropriation	651,797	1,201,365	1,318,815
ENDING FUND BALANCES	$ 904,644	$ 650,598	$ 608,159
EMERGENCY RESERVE	$ 28,200	$ 1,700	$ 1,900
DEBT SERVICE RESERVE - SERIES 2022A	293,800	293,800	293,800
TOTAL RESERVE	$ 322,000	$ 295,500	$ 295,700

See summary of significant assumptions.

SWEETGRASS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 12,530,380	$ 12,569,980	$ 13,386,910
Commercial	670	820	960
Agricultural	30	30	40
State assessed	27,020	217,890	253,110
Vacant land	150,670	150,670	10
Personal property	195,460	-	-
Oil & Gas - Production	3,540	2,840	3,020
Oil & Gas - Pipeline	212,260	334,920	352,550
Certified Assessed Value	$ 13,120,030	$ 13,277,150	$ 13,996,600
MILL LEVY			
General	4.554	3.877	3.714
Debt Service	60.504	61.048	59.530
Total mill levy	65.058	64.925	63.244
PROPERTY TAXES			
General	$ 59,749	$ 51,476	$ 51,983
Debt Service	793,814	810,543	833,218
Levied property taxes	853,563	862,019	885,201
Adjustments to actual/rounding	119	-	-
Budgeted property taxes	$ 853,682	$ 862,019	$ 885,201
BUDGETED PROPERTY TAXES			
General	**$ 59,757**	**$ 51,476**	**$ 51,983**
Debt Service	**793,925**	**810,543**	**833,218**
	$ 853,682	**$ 862,019**	**$ 885,201**

See summary of significant assumptions.

SWEETGRASS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 616,614	$ 904,644	$ 650,598
REVENUES			
Property taxes	853,682	862,019	51,983
Specific ownership taxes	30,901	37,800	2,079
Interest Income	41,883	40,000	5,000
Other Revenue	13,361	7,500	7,500
Total revenues	939,827	947,319	66,562
Total funds available	1,556,441	1,851,963	717,160
EXPENDITURES			
General and administrative			
Accounting	19,159	20,000	21,000
Auditing	6,800	7,314	7,680
County Treasurer's Fee	12,880	12,930	780
Dues and Membership	842	1,012	1,500
Insurance	12,054	12,363	13,600
District management	-	1,000	2,000
Legal	17,592	18,000	19,000
Miscellaneous	545	1,000	1,000
Election	-	1,819	-
Contingency	-	-	3,440
Debt Service			
Paying agent fees	7,000	8,000	-
Bond Interest Series 2022A	341,800	334,550	-
Bond Interest Series 2022B	88,125	241,377	-
Bond Principal Series 2022A	145,000	150,000	-
Bond Principal Series 2022B	-	392,000	-
Total expenditures	651,797	1,201,365	70,000
TRANSFERS OUT			
Transfers to other fund	-		338,267
Total expenditures and transfers out requiring appropriation	651,797	1,201,365	408,267
ENDING FUND BALANCES	$ 904,644	$ 650,598	$ 308,893
EMERGENCY RESERVE	$ 28,200	$ 1,700	$ 1,900
DEBT SERVICE RESERVE - SERIES 2022A	293,800	293,800	-
AVAILABLE FOR OPERATIONS	582,644	355,098	306,993
TOTAL RESERVE	$ 904,644	$ 650,598	$ 308,893

See summary of significant assumptions.

SWEETGRASS METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property taxes	-	-	833,218
Specific ownership taxes	-	-	33,329
Interest Income	-	-	5,000
Total revenues	-	-	871,547
TRANSFERS IN			
Transfers from other funds	-	-	338,267
Total funds available	-	-	1,209,814
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	12,498
Debt Service			
Paying agent fees	-	-	7,000
Bond Interest Series 2022A	-	-	327,050
Bond Interest Series 2022B	-	-	60,000
Bond Principal Series 2022A	-	-	145,000
Bond Principal Series 2022B	-	-	359,000
Total expenditures	-	-	910,548
Total expenditures and transfers out requiring appropriation	-	-	910,548
ENDING FUND BALANCES	$ -	$ -	$ 299,266
DEBT SERVICE RESERVE - SERIES 2022A	$ -	$ -	$ 293,800
TOTAL RESERVE	$ -	$ -	$ 293,800

See summary of significant assumptions.

SWEETGRASS METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

SERVICES PROVIDED

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Dacono, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Service Plan, as amended and restated in 2021, provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides limits on the issuance of general obligation debts for District Nos. 1 and 3 of $47,000,000 and District No. 2 of $11,500,000.

At a special election of the eligible electors of the District, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

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.

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

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.

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.

Revenues (Continued)

Property Taxes (Continued)

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%

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 3.50%.

EXPENDITURES

Administrative Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Pursuant to the to 2022A Bond Indenture, the annual O&M carve-out for 2026 is $51,090 which is used to cover the administrative expenditures of the District.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt Service

The District intends to fully fund its annual debt service obligations under the Series 2022A Senior Bonds. The District also anticipates that it will make interest and principal payments on the Series 2022B Subordinate Bonds.

SWEETGRASS METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On June16, 2022, the District Issued the (i) Series 2021A, Subordinate General Obligation Limited Tax Bonds in the aggregate principal amount not to exceed of $8,150,000 (the 2022A Senior Bonds); and (ii) Series 2022B, Subordinate General Obligation Limited Tax Refunding Bonds in the aggregate principal amount of $1,175,000 (the "2022B Subordinate Bonds") for the purposes of (i) paying and discharging all or a portion of the Series 2018A Notes; (ii) funding a debt service reserve fund (solely for the benefit of the Series 2022A Bonds); and (iii) paying costs of issuance in connection with the 2022A and 2022B Bonds.

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. Debt and Leases

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2022A Bonds.

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

SWEETGRASS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$8,150,000
General Obligation Limited Tas
Refunding Bonds
Series 2022A, Dated June 16, 2022
Interest Rate Fixed 4-5%
Interest Payable
June 1 and December 1
Principal Payable December 1

Bonds/Loans and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2026	$ 145,000	$ 327,050	$ 472,050
2027	150,000	319,800	469,800
2028	170,000	312,300	482,300
2029	180,000	303,800	483,800
2030	195,000	294,800	489,800
2031	205,000	285,050	490,050
2032	225,000	274,800	499,800
2033	235,000	263,550	498,550
2034	260,000	251,800	511,800
2035	275,000	238,800	513,800
2036	295,000	225,050	520,050
2037	310,000	210,300	520,300
2038	340,000	194,800	534,800
2039	350,000	181,200	531,200
2040	375,000	167,200	542,200
2041	390,000	152,200	542,200
2042	420,000	136,600	556,600
2043	435,000	119,800	554,800
2044	465,000	102,400	567,400
2045	480,000	83,800	563,800
2046	515,000	64,600	579,600
2047	535,000	44,000	579,000
2048	565,000	22,600	587,600
Total	$ 7,515,000	$ 4,576,300	$ 12,091,300