

SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 AND 2

NOTICE OF REGULAR BOARD MEETING AND AGENDA

Wednesday, November 12, 2025, at 2:00 PM (MST)

This meeting will be held via teleconferencing and can be joined through the directions below:

3204 N Academy Blvd, Ste 100, Colorado Springs, CO 80917

<https://teams.microsoft.com/l/meetup-join>

Meeting ID: 223 388 884 631 8

Passcode: ZC9ts7Pc

Dial in by phone

+1 323-741-1303,,295685633#

Public Invited to Attend

SADDLEHORN RANCH METROPOLITAN DISTRICT NO 1.

Board of Directors	Title	Term Expiration
Nina Ruiz	President/Treasurer	May 2029
Raelene LeBlanc	Secretary	May 2027
Vacant	-	May 2029
Vacant	-	May 2029
Vacant	-	May 2027

SADDLEHORN RANCH METROPOLITAN DISTRICT NO 2.

Board of Directors	Title	Term Expiration
Melissa Reed	President/Treasurer/Secretary	May 2029
Vacant	-	May 2029
Vacant	-	May 2029
Vacant	-	May 2027
Vacant	-	May 2027

AGENDA

1. **Call to Order**
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
3. **Approval of July 25, 2025, Board Meeting Minutes (enclosure)**
4. **Development Status Review**
5. **Financial Matters**
 - a. Review and Approve Unaudited Financial Statements as of October 31, 2025 (enclosure)
 - b. Ratify approval for payables through November 12, 2025 (enclosure)
 - c. Public Hearing on Amended 2025 Budget (if necessary)
 - i. Consider Adoption of Resolution Amending the 2025 Budget (if necessary)
 - d. Public Hearing on District No. 1 2026 Budget
 - i. Consider Adoption of Resolution Approving the 2026 Budget and Certifying Mill Levies for District No. 1 (enclosure)

- e. Public Hearing on District No. 2 2026 Budget
 - i. Consider Adoption of Resolution Approving the 2026 Budget and Certifying Mill Levies for District No. 2 (enclosure)
- f. Discuss November 2026 Special Election and May 2027 Regular Election
 - i. Discuss 5.25% TABOR Growth Limitation Waiver
 - ii. Discuss need for TABOR Election to Renew TABOR Debt Authorizations Voted at November 2006 Organizational Election
- g. Discuss Funding for the District
- h. Discuss Bank account status

6. Administrative Matters

- a. Review and Consider Approval of Wisdom Management Engagement Letter (under separate cover)
- b. Consider Approval of Updated WBA Engagement Letter per HB25-1090 (enclosures)
- c. Discuss and Consider Approval of Joint 2026 Annual Administrative Resolution (enclosure)
 - i. Discuss 2026 Meeting Schedule and Make Determination Regarding Separate Meetings
- d. Consider approval to engage BiggsKofford for 2025 Audit
- e. Discuss and approve authorization of 2026 SDA Membership
- f. Review and Consider Approval of 2026 General Liability Coverage with CSD Pool (enclosure)(
- g. Review and Consider Approval of Workers' Compensation Coverage with CSD Pool (or waiver)
- h. Approval of Joint Resolution Designating 2026 Meeting Notice Posting Locations (enclosure)

7. Water Operations

- a. Discuss Water Chlorine levels
- b. Discuss Storm detention facilities
- c. Discuss status of Water System with State

8. Adjourn – Next meeting TBD



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**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 AND 2
HELD Friday, July 25, 2025
AT 10:00 am**

Pursuant to posted notice, the special meeting of the Combined Board of Directors of the Saddlehorn Ranch Metropolitan District Nos. 1 and 2 was held on July 25th, 2025, at 10:00 am
via tele/videoconference: <https://video.cloudoffice.avaya.com/join/370748435>.

Attendance:

In attendance were Directors:

Name	Title	Term Expiration
Nina Ruiz, D1	Secretary	May 2029
Raelene LeBlanc, D1	President/Treasurer	May 2027
Melissa Reed, D2	President/Secretary/Treasurer	May 2029

Also in attendance were:

Jak Pattamasaevi,	WSDM Managers
Rebecca Harris,	WSDM Managers
Chris Jorgensen,	Biggs Kofford
Max Neuman,	Biggs Kofford
Darah Fuller,	WBA
Nathan Steele,	Member of the Public
Jason Nienhouse,	Member of the Public

1. Call to Order:

The meeting was called to order at 10:06 am by Mr. Pattamasaevi.

2. Declaration of Quorum/Director Qualifications/ Disclosure Matters:

Mr. Pattamasaevi indicated that a quorum of the Boards was present, stating that each Director has been qualified as an eligible elector of the District pursuant to Colorado law. The Directors confirmed their qualifications. Mr. Pattamasaevi informed the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Pattamasaevi reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Pattamasaevi inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest regarding any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain quorum or otherwise enable the Board to act.

3. Director Appointment(s)/Officer Position Designations (President, Secretary, Treasurer):

- a. Review and consider District #1 director role appointments.
 - b. Designation of Officer Positions. After discussion, Director Ruiz was appointed to the role of Secretary and Director LeBlanc was appointed to the role of President/Treasurer.
4. Approval of Agenda: Director Ruiz motioned to approve the Agenda as presented. Seconded by President LeBlanc, motion passed unanimously.
5. Consent Agenda:
 - a. Approval of Board Meeting Minutes from the regular board meeting on May 8, 2025. Director Ruiz motioned to approve the regular board meeting minutes as presented. Seconded by President LeBlanc. Motion passed unanimously.
 - b. Approve Unaudited Financial Reports and Payables. After discussion, Director Ruiz moved to approve the Unaudited Financial Reports and Payables through as presented; seconded by President LeBlanc. Motion passed unanimously.
 - c. 2025 Amended and restated Annual Administrative Resolution. After review, Director Ruiz motioned to approve the 2025 Amended and Restated Annual Administrative Resolution. Seconded by President LeBlanc. Motion passed unanimously.
 - d. 2025 Amended and Restated Public Records Request Policy. After discussion, Director Ruiz motioned to approve the 2025 Amended and Restated Public Records Request Policy. Seconded by President LeBlanc. Motion passed unanimously.
6. Management Matters: No items to discuss.
7. Legal Matters: No discussion was had.
8. Financial Matters:
 - a. Public Hearing on Saddlehorn Ranch Metropolitan District No. 2, 2024 Budget Amendment: President Reed moved to open the Public Hearing for the 2024 Budget Amendment. There was no Public Comment. President Reed moved to close the Public Hearing.
 - b. Review and consider Adoption of Resolution to Amend Saddlehorn Ranch Metropolitan District No. 2, 2024 Budget. After discussion, President Reed moved to accept the Resolution to Amend the 2024 Budget as amended to reflect the addition of the 2024 Tap Fee Special Revenue Fund Budget Line. Motion passed unanimously.
 - c. Review and consider Acceptance of 2024 Audit and Presentation. Mr. Jorgensen provided the update regarding the completion of the 2024 Audit. After review, President Reed motioned to accept the 2024 Audit Presentation with suggested corrections from Biggs Kofford. Motion passed unanimously.
9. Public Comment: Discussion was had regarding the status of phase 2 within the District.
10. Other Business: No other business.
11. Adjourn: Director Ruiz and President Reed motioned to adjourn the meeting at 10:33 am. Seconded by President LeBlanc. Motion passed unanimously.

Submitted by: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 25, 2025, SPECIAL MEETING MINUTES OF THE SADDLEHORN RANCH METROPOLITAN DISTRICT NOS 1 AND 2

Approved by: Secretary of the Board

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Saddlehorn Ranch Metropolitan District No. 1

Balance Sheet

As of October 31, 2025

	Oct 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Eastern Colorado Bank 3721	4,978.25
Total Checking/Savings	4,978.25
Accounts Receivable	
Accounts Receivable	43,427.76
Total Accounts Receivable	43,427.76
Total Current Assets	48,406.01
TOTAL ASSETS	48,406.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	58,944.26
Total Accounts Payable	58,944.26
Other Current Liabilities	
Due to District 2	46,865.00
Prepaid Assessments	716.31
Total Other Current Liabilities	47,581.31
Total Current Liabilities	106,525.57
Total Liabilities	106,525.57
Equity	
Retained Earnings	-48,410.95
Net Income	-9,708.61
Total Equity	-58,119.56
TOTAL LIABILITIES & EQUITY	48,406.01

Saddlehorn Ranch Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through October 2025

General Fund

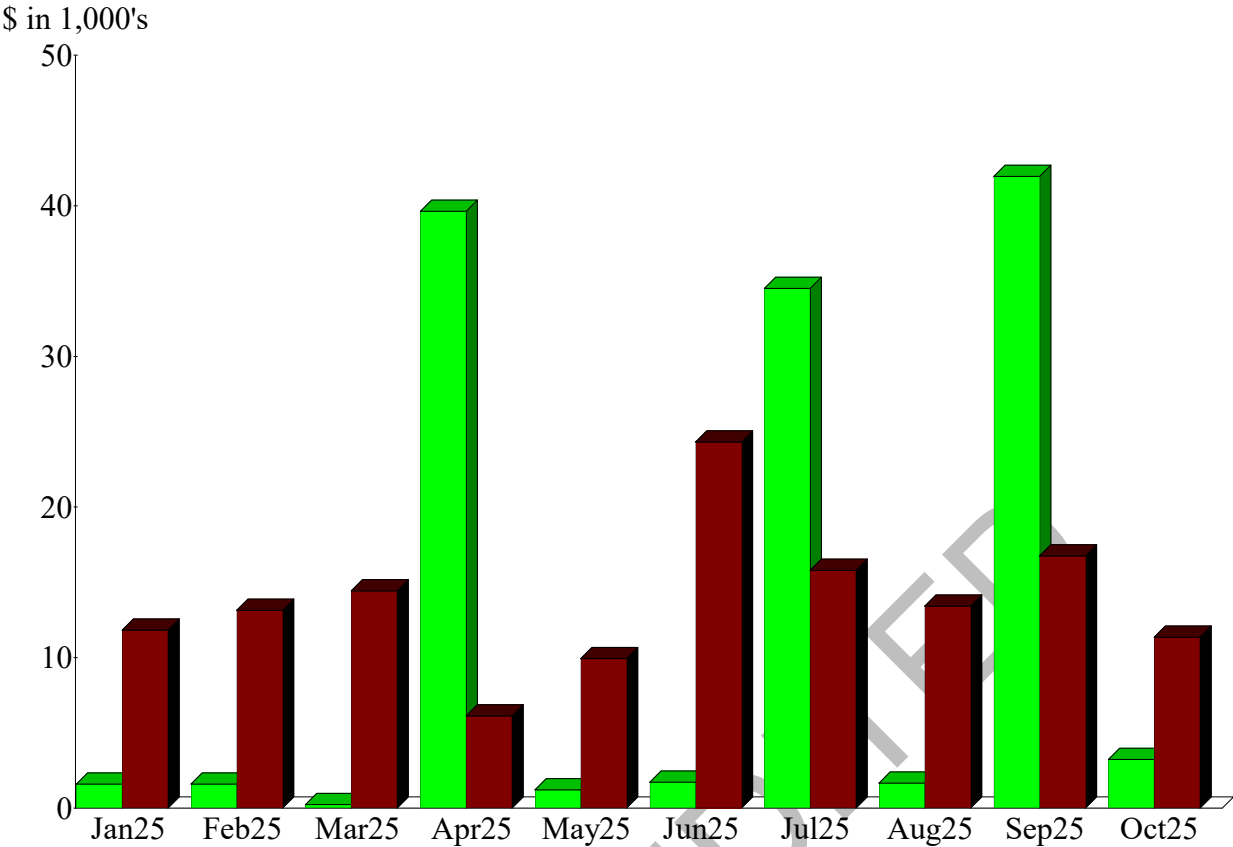
	TOTAL				
	Oct 25	Jan - Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Intergovernmental Income	0.00	16,250.00	35,542.00	-19,292.00	45.72%
SHRBA Fee Income	26.65	227.60	344.00	-116.40	66.16%
Status Letter Fee	0.00	0.00	450.00	-450.00	0.0%
Developer Advance	0.00	40,000.00	30,000.00	10,000.00	133.33%
Trash Fee	151.87	1,411.54	3,320.00	-1,908.46	42.52%
Total Income	<u>178.52</u>	<u>57,889.14</u>	<u>69,656.00</u>	<u>-11,766.86</u>	<u>83.11%</u>
Expense					
Landscape Maintenance	0.00	400.00			
Accessibility Compliance	0.00	0.00	3,500.00	-3,500.00	0.0%
Accounting/Audit	0.00	-9,600.00	10,750.00	-20,350.00	-89.3%
Bank Service Charge	8.86	39.72	1,500.00	-1,460.28	2.65%
Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Copies & Postage	13.40	41.04			
District Management	2,075.04	16,893.43	23,400.00	-6,506.57	72.19%
Dues & Subscriptions (SDA)	0.00	356.25	3,000.00	-2,643.75	11.88%
Elections	0.00	4,380.87	10,000.00	-5,619.13	43.81%
Insurance	695.00	3,443.00	3,377.00	66.00	101.95%
Legal	0.00	16,099.30	27,000.00	-10,900.70	59.63%
Trash	348.85	2,285.72	3,320.00	-1,034.28	68.85%
Total Expense	<u>3,141.15</u>	<u>34,339.33</u>	<u>95,847.00</u>	<u>-61,507.67</u>	<u>35.83%</u>
Net Ordinary Income	<u>-2,962.63</u>	<u>23,549.81</u>	<u>-26,191.00</u>	<u>49,740.81</u>	<u>-89.92%</u>
Other Income/Expense					
Other Income					
Other Income					
Interest Income	0.00	0.26			
Total Other Income	<u>0.00</u>	<u>0.26</u>			
Total Other Income	<u>0.00</u>	<u>0.26</u>			
Net Other Income	<u>0.00</u>	<u>0.26</u>	<u>0.00</u>	<u>0.26</u>	<u>100.0%</u>
Net Income	<u><u>-2,962.63</u></u>	<u><u>23,550.07</u></u>	<u><u>-26,191.00</u></u>	<u><u>49,741.07</u></u>	<u><u>-89.92%</u></u>

Saddlehorn Ranch Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through October 2025

Water Operations Fund

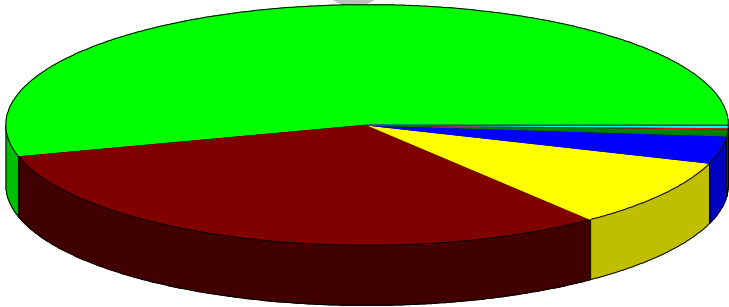
	TOTAL				
	Oct 25	Jan - Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Transfer From District 2	0.00	0.00	200,000.00	-200,000.00	0.0%
Intergovernmental Income	0.00	53,000.00			
Base Water Service Charge	600.00	4,766.05	12,000.00	-7,233.95	39.72%
Tiered Water Usage	2,459.69	11,778.25	16,292.00	-4,513.75	72.3%
Total Income	3,059.69	69,544.30	228,292.00	-158,747.70	30.46%
Expense					
District Management	4,867.20	20,961.20			
Dues & Subscriptions (SDA)	0.00	471.90			
Water Operations					
Chemicals	0.00	1,328.10	10,000.00	-8,671.90	13.28%
Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Energy Expense - Pump Station	0.00	21,031.20	30,000.00	-8,968.80	70.1%
Engineering - Genreal	0.00	0.00	3,000.00	-3,000.00	0.0%
General Legal	0.00	0.00	2,700.00	-2,700.00	0.0%
Insurance	0.00	0.00	40,000.00	-40,000.00	0.0%
Locate Expense	27.90	133.55			
Meters	57.00	565.80			
Operator in Responsible Charge	3,260.00	28,076.96	40,000.00	-11,923.04	70.19%
Operations Management	0.00	28,220.87	54,600.00	-26,379.13	51.69%
Repairs-Pipeline-General	0.00	0.00	5,000.00	-5,000.00	0.0%
Water Testing	0.00	2,013.40			
WTP Maintenance	0.00	0.00	20,000.00	-20,000.00	0.0%
Total Water Operations	3,344.90	81,369.88	215,300.00	-133,930.12	37.79%
Total Expense	8,212.10	102,802.98	215,300.00	-112,497.02	47.75%
Net Ordinary Income	-5,152.41	-33,258.68	12,992.00	-46,250.68	-255.99%
Net Income	-5,152.41	-33,258.68	12,992.00	-46,250.68	-255.99%

Income and Expense by Month
January through October 2025



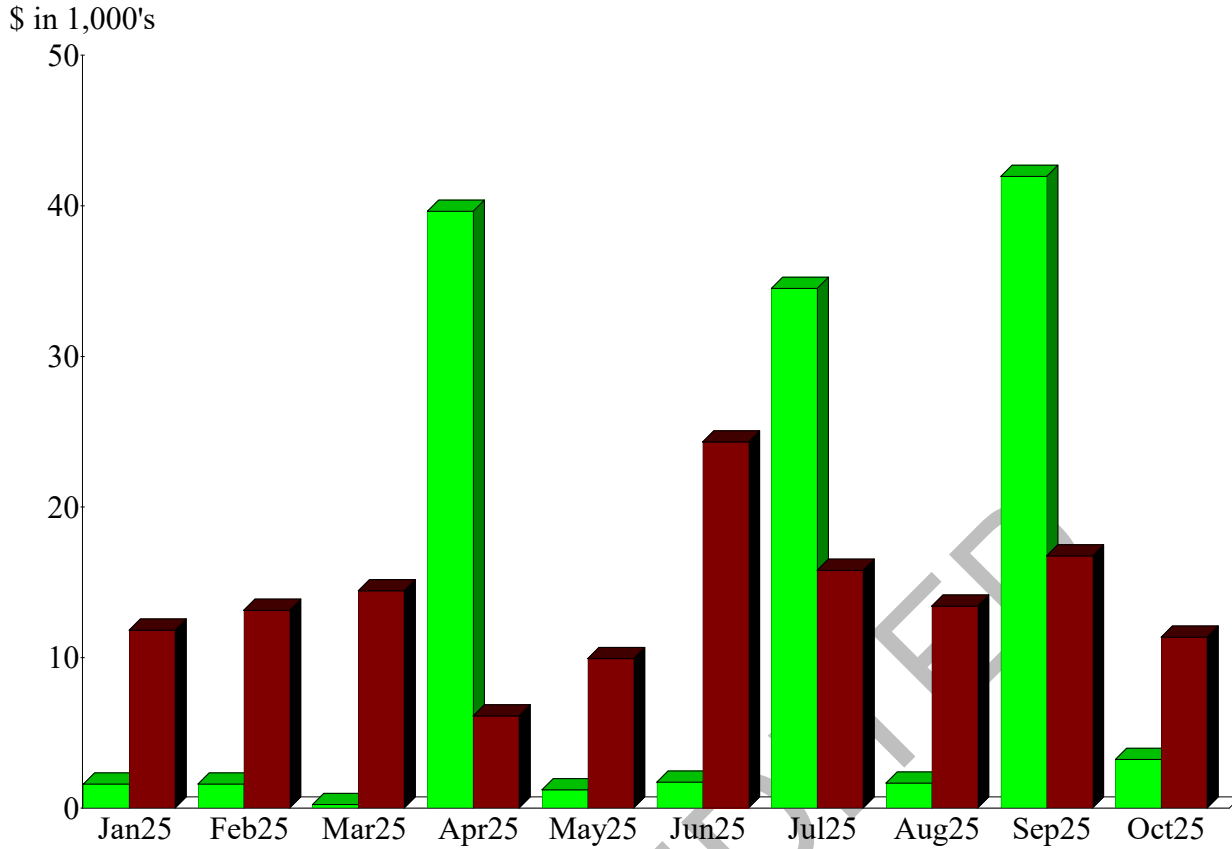
Income Summary
January through October 2025

Intergovernmental Income	54.34%
Developer Advance	31.39
Tiered Water Usage	9.24
Base Water Service Charge	3.74
Trash Fee	1.11
SHRBA Fee Income	0.18
Other Income	0.01
Total	\$127,433.70



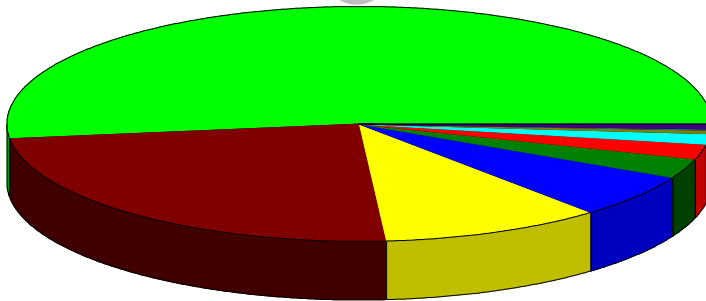
Income and Expense by Month January through October 2025

Income
Expense



Expense Summary January through October 2025

Water Operations	55.45%
District Management	25.80
Legal	10.97
Accounting/Audit	\$-9,600.00
Elections	2.99
Insurance	2.35
Trash	1.56
Dues & Subscriptions (SDA)	0.56
Landscape Maintenance	0.27
Copies & Postage	0.03
Bank Service Charge	0.03
Sub-Total	\$137,142.31



Saddlehorn Ranch Metropolitan District No. 2

Balance Sheet

As of October 31, 2025

	Oct 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Eastern Colorado Bank	10,243.33
Colo Trust	94,471.43
UMB Bond Fund 161000.1	100,667.46
Total Checking/Savings	205,382.22
Accounts Receivable	
Accounts Receivable	100,000.00
Total Accounts Receivable	100,000.00
Other Current Assets	
Property Tax Receivable	19,260.06
Due From District #1	37,265.00
Total Other Current Assets	56,525.06
Total Current Assets	361,907.28
Fixed Assets	
Construction In Process	8,706,523.00
Total Fixed Assets	8,706,523.00
TOTAL ASSETS	9,068,430.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	4,250.00
Total Accounts Payable	4,250.00
Other Current Liabilities	
Deferred Property Tax Revenue	19,260.06
Total Other Current Liabilities	19,260.06
Total Current Liabilities	23,510.06
Long Term Liabilities	
Accrued Interest Payable	91,185.00
Series 2023(3) Bonds	9,264,000.00
Total Long Term Liabilities	9,355,185.00
Total Liabilities	9,378,695.06
Equity	
Retained Earnings	-595,654.23
Net Income	285,389.45
Total Equity	-310,264.78
TOTAL LIABILITIES & EQUITY	9,068,430.28

Saddlehorn Ranch Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through October 2025

General Fund

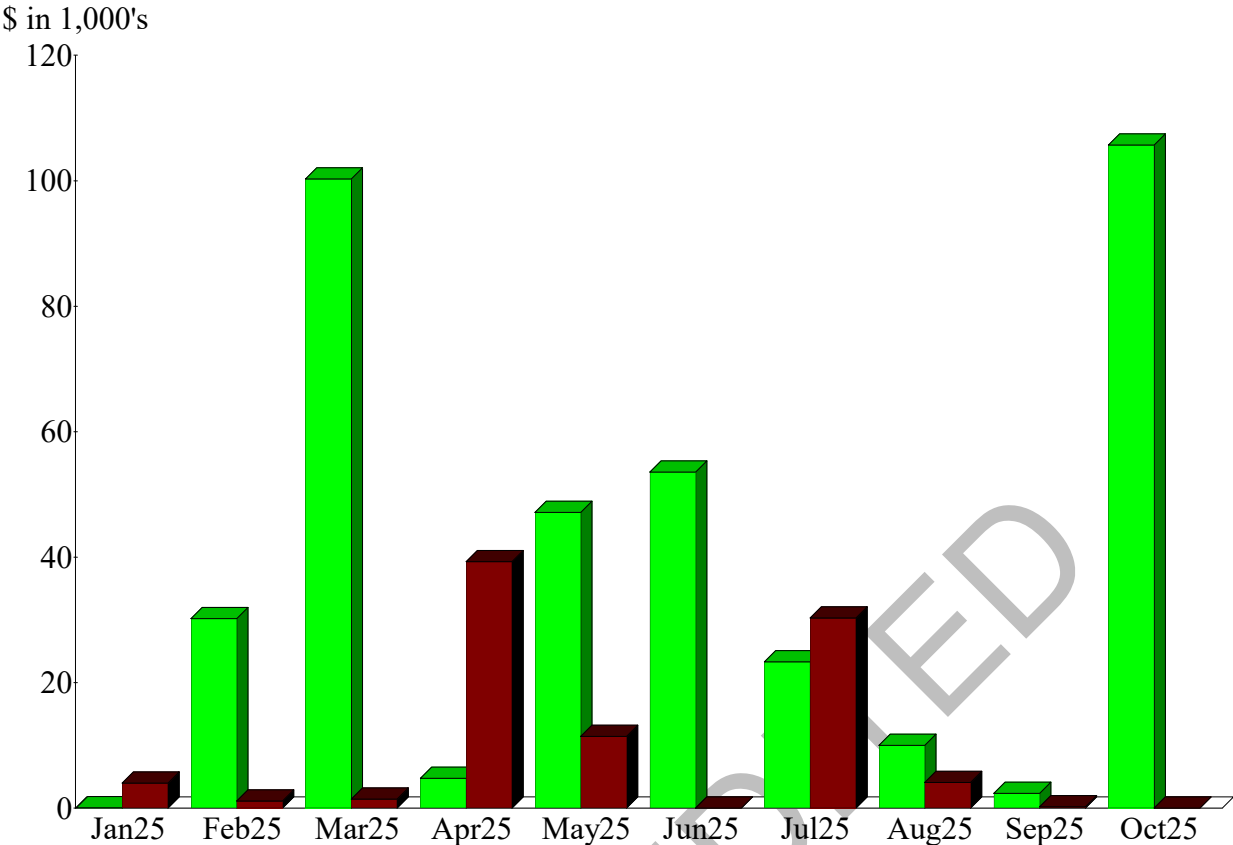
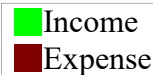
	TOTAL				
	Oct 25	Jan - Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Delinquent Interest	26.53	89.19			
Property Tax Revenue	530.60	30,478.83	33,689.00	-3,210.17	90.47%
Specific Ownership Tax	271.59	2,416.61	2,358.00	58.61	102.49%
Tap Fees	100,000.00	175,000.00	875,000.00	-700,000.00	20.0%
Total Income	100,828.72	207,984.63	911,047.00	-703,062.37	22.83%
Expense					
Accessibility Compliance	0.00	0.00	3,500.00	-3,500.00	0.0%
Transfer to Debt Service Fund	0.00	0.00	625,000.00	-625,000.00	0.0%
Transfer to Water Operations	0.00	53,000.00	200,000.00	-147,000.00	26.5%
Treasurers Fees	8.36	458.52	505.00	-46.48	90.8%
Audit	0.00	10,750.00			
Intergovernmental Expense	0.00	16,250.00			
Dues & Subscriptions (SDA)	0.00	1,084.48			
Total Expense	8.36	81,543.00	829,005.00	-747,462.00	9.84%
Net Ordinary Income	100,820.36	126,441.63	82,042.00	44,399.63	154.12%
Other Income/Expense					
Other Income					
Other Income					
Interest Income	0.00	1.00			
Total Other Income	0.00	1.00			
Total Other Income	0.00	1.00			
Other Expense					
Transfer to District #1	0.00	0.00	35,542.00	-35,542.00	0.0%
Total Other Expense	0.00	0.00	35,542.00	-35,542.00	0.0%
Net Other Income	0.00	1.00	-35,542.00	35,543.00	-0.0%
Net Income	100,820.36	126,442.63	46,500.00	79,942.63	271.92%

Saddlehorn Ranch Metropolitan District No. 2
Profit & Loss Budget vs. Actual
January through October 2025

Debt Service Fund

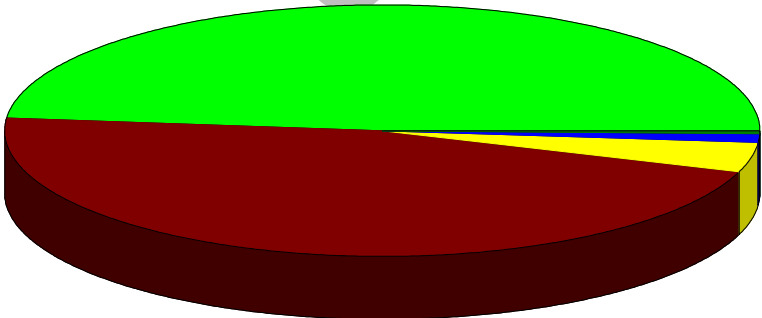
	TOTAL				
	Oct 25	Jan - Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Delinquent Interest	132.65	445.95			
Transfer in From General Fund	0.00	0.00	625,000.00	-625,000.00	0.0%
Property Tax Revenue	2,652.98	152,394.13	168,444.00	-16,049.87	90.47%
Specific Ownership Tax	1,357.95	12,083.00	11,791.00	292.00	102.48%
Total Income	4,143.58	164,923.08	805,235.00	-640,311.92	20.48%
Expense					
Treasurers Fees	41.79	2,292.66	2,527.00	-234.34	90.73%
Trustee Fee	0.00	8,000.00			
Bonds					
Trustee Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
Series 2023(3) - Interest	0.00	0.00	833,760.00	-833,760.00	0.0%
Total Bonds	0.00	0.00	837,760.00	-837,760.00	0.0%
Insurance	0.00	250.00			
Total Expense	41.79	10,542.66	840,287.00	-829,744.34	1.26%
Net Ordinary Income	4,101.79	154,380.42	-35,052.00	189,432.42	-440.43%
Other Income/Expense					
Other Income					
Other Income					
Interest Income	697.24	4,566.40			
Total Other Income	697.24	4,566.40			
Total Other Income	697.24	4,566.40			
Net Other Income	697.24	4,566.40			
Net Income	4,799.03	158,946.82	-35,052.00	193,998.82	-453.46%

Income and Expense by Month January through October 2025

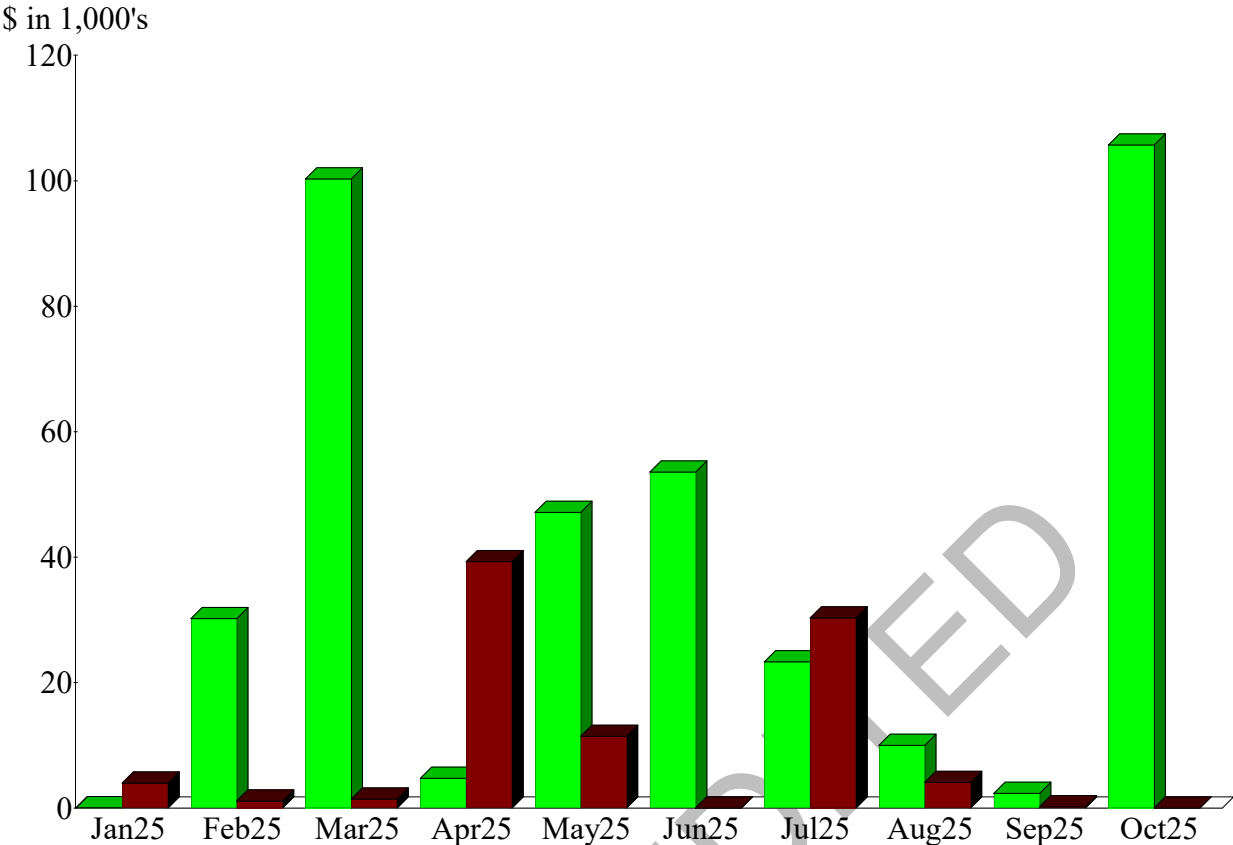


Income Summary
January through October 2025

Property Tax Revenue	48.45%
Tap Fees	46.36
Specific Ownership Tax	3.84
Other Income	1.21
Delinquent Interest	0.14
Total	\$377,475.11

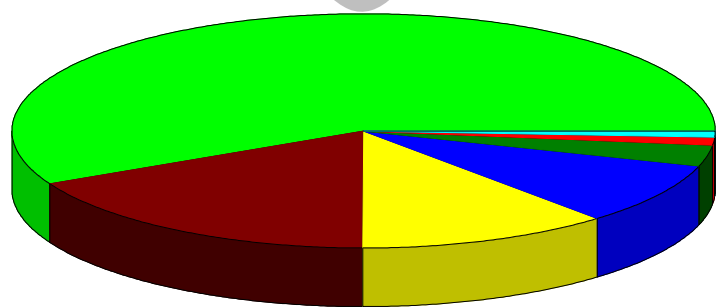


Income and Expense by Month
January through October 2025



Expense Summary
January through October 2025

Transfer to Water Operations	57.56%
Intergovernmental Expense	17.65
Audit	11.67
Trustee Fee	8.69
Treasurers Fees	2.99
Dues & Subscriptions (SDA)	1.18
Insurance	0.27
Total	\$92,085.66





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Saddlehorn Ranch Metropolitan District

Payment Request

11/12/2025

General Fund Account				
Company	Invoice	Date	Amount	Comments
HBS	FR5929836	10/31/2025	\$ 348.85	
WSDM Managers	1102	10/31/2025	\$ 2,075.04	\$73.90 in Finance Charges
Total:			\$ 2,423.89	

Total for General Fund: \$ 2,423.89

Current District Payables	\$	(2,423.89)
Current Water Enter. Payables	\$	(8,212.10)
Current Bank Balance	\$	5,073.17
Needed to Fund Payables	\$	(5,562.82)

Saddlehorn Ranch Metropolitan District

Payment Request

11/12/2025

Water Enterprise Operations Fund

Company	Invoice	Date	Amount	Comments
Badger Meter	80215482	10/30/2025	\$ 57.00	
Lynn Willow	103125	10/31/2025	\$ 3,260.00	
UNCC	225101314	10/31/2025	\$ 27.90	
WSDM Managers	1101	10/31/2025	\$ 4,867.20	\$187.20 in Finance Charges
Total:			\$ 8,212.10	

Total for Water Fund: \$ 8,212.10

Current District Payables	\$ (2,423.89)
Current Water Enter. Payables	\$ (8,212.10)
Current Bank Balance	\$ 5,073.17
Needed to Fund Payables	\$ (5,562.82)



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

*

The Board of Directors of Saddlehorn Ranch Metropolitan District No. 1 (the “**Board**”), El Paso County, Colorado (the “**District**”), held a regular meeting, via teleconference and at 3204 N. Academy Boulevard, Suite 100, Colorado Springs, CO 80917 on November 12, 2025, at the hour of 2:00 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

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 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 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 12, 2025.

DISTRICT:

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
Officer of the District

ATTEST:

By: _____

STATE OF COLORADO
COUNTY OF EL PASO
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1

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 3204 N. Academy Boulevard, Suite 100, Colorado Springs, CO 80917 and via teleconference on Wednesday, November 12, 2025, as recorded in the official record of the proceedings of the District.

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

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

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1

2026 BUDGET

GENERAL FUND

	10/3/2025				
	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
GENERAL FUND BEGINNING BALANCE	\$ 7,921	\$ 25,171	\$ 25,171	\$ 29,128	\$ 18,294
REVENUES					
PROPERTY TAX REVENUES					\$ 25
SPECIFIC OWNERSHIP TAX REVENUE					\$ 2
DEVELOPER ADVANCES	\$ 27,793	\$ 40,000	\$ 40,000	\$ 30,000	\$ 40,000
SHRBA PROCESSING FEE	\$ 290	\$ 182	\$ 344	\$ 344	\$ 500
STATUS LETTER FEE	\$ 350		\$ -	\$ 450	\$ -
TRASH FEE	\$ 1,806	\$ 1,073	\$ 1,430	\$ 3,320	\$ 2,652
TRANSFER FROM DISTRICT #2	\$ 54,999	\$ 16,250	\$ 16,250	\$ -	\$ 38,119
TOTAL REVENUES	\$ 85,238	\$ 57,505	\$ 58,024	\$ 34,114	\$ 81,297
TOTAL OF BALANCE AND REVENUES	\$ 93,159	\$ 82,676	\$ 83,195	\$ 63,242	\$ 99,592
EXPENDITURES					
ACCOUNTING/AUDIT	\$ 9,600	\$ 9,600	\$ 9,600	\$ 10,750	\$ 11,600
LEGAL SERVICES	\$ 19,981	\$ 15,730	\$ 20,000	\$ 27,000	\$ 20,000
DISTRICT MANAGEMENT	\$ 31,381	\$ 12,905	\$ 23,400	\$ 23,400	\$ 23,400
ELECTION EXPENSE		\$ 4,381	\$ 4,381	\$ 10,000	\$ -
DIRECTORS FEE					
COPIES AND POSTAGE	\$ 15	\$ 28	\$ 500		\$ 1,500
DUES AND SUBSCRIPTIONS	\$ 1,269	\$ 356	\$ 356	\$ 3,000	\$ 1,500
LANDSCAPE MAINTENANCE		\$ 400	\$ 400		\$ 1,000
INSURANCE	\$ 3,377		\$ 3,377	\$ 3,377	\$ 4,000
TRASH SERVICE COST	\$ 2,183	\$ 1,612	\$ 2,500	\$ 3,320	\$ 2,652
BANK FEES		\$ 22	\$ 50	\$ 1,500	\$ 100
MISCELLANEOUS	\$ 182				
CONTINGENCY				\$ 10,000	\$ 10,000
ACCESSIBILITY COMPLIANCE			\$ -	\$ 3,500	\$ 500
REMITTANCE TO SHRBA		\$ 178	\$ 337		\$ 490
TRANSFER TO WATER OPERATIONS FUND					
TRANSFER TO DISTRICT 2 DEBT SERVICE FUND					
TOTAL EXPENDITURES	\$ 67,988	\$ 45,213	\$ 64,901	\$ 95,847	\$ 76,742
ENDING FUND BALANCE	25,171	37,463	18,294	(32,605)	22,850
EMERGENCY RESERVE 3%	2,040			2,875	2,302
ASSESSED VALUATION	\$ 2,310			2310	1940
MILL LEVY	0.000			0.000	12.943

Not to exceed 5.25% limit

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1
2026 BUDGET

WATER ENTERPRISE OPERATIONS FUND

	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
WATER OPERATIONS FUND BEGINNING BALANCE	\$ -	\$ (21,449)	\$ (21,449)	\$ -	\$ 0
REVENUES					
BASE SERVICE CHARGES	\$ 11,950	\$ 4,166	\$ 6,249	\$ 12,000	\$ 12,600
TIERED WATER USAGE	\$ 8,146	\$ 7,558	\$ 11,338	\$ 16,292	\$ 15,000
DEVELOPER ADVANCE	\$ -		\$ 121,993		\$ 161,200
TAP FEE TRANSFER FROM DISTRICT NO.2	\$ 100,000	\$ 53,000	\$ 55,000	\$ -	\$ -
INTEREST INCOME	\$ 2				
TOTAL REVENUES	\$ 120,098	\$ 64,724	\$ 194,580	\$ 28,292	\$ 188,800
TOTAL OF BALANCE AND REVENUES	\$ 120,098	\$ 43,275	\$ 173,130	\$ 28,292	\$ 188,800
EXPENDITURES					
OPERATOR IN RESPONSIBLE CHARGE (ORC)	\$ 22,659	\$ 21,717	\$ 40,000	\$ 40,000	\$ 40,000
PROFESSIONAL DUES & FEES		\$ 472	\$ 472		
LOCATE EXPENSE		\$ 106	\$ 106		\$ 200
WTP MAINTENANCE	\$ 3,832			\$ 20,000	
GENERAL LEGAL	\$ 2,399			\$ 2,700	
OPERATIONS MANAGEMENT	\$ 46,800	\$ 39,401	\$ 54,600	\$ 54,600	\$ 54,600
METERS	\$ (553)	\$ 452	\$ 452	\$ -	\$ 1,500
INSURANCE	\$ 33,352		\$ 40,000	\$ 40,000	\$ 40,000
ENGINEERING - GENERAL	\$ 989			\$ 3,000	
ENERGY EXPENSE - PUMP STATIONS	\$ 30,197	\$ 18,824	\$ 30,000	\$ 30,000	\$ 30,000
CHEMICALS - CHLORINE	\$ 1,872	\$ 655	\$ 5,000	\$ 10,000	\$ 5,000
WATER TESTING		\$ 1,990	\$ 2,500		\$ 2,500
WELL HOUSE O&M					
REPAIRS - PIPELINE - GENERAL				\$ 5,000	\$ 5,000
WATER STORAGE TANK O&M					
CONTINGENCY				\$ 10,000	\$ 10,000
TOTAL EXPENDITURES	\$ 141,547	\$ 83,617	\$ 173,130	\$ 215,300	\$ 188,800
ENDING BALANCE	\$ (21,449)	\$ (40,342)	\$ 0	\$ (187,008)	\$ 0
ASSESSED VALUATION	\$ 2,310			\$ 2,310	\$ 1,940
MILL LEVY					
TOTAL MILL LEVY					

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

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1

The attached 2026 Budget for Saddlehorn Ranch Metropolitan District No. 1 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 with the primary purposes of 1) coordinating the 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) to furnish covenant enforcement and design review services within the districts' boundaries. 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 sources of revenue for the district in 2026 are advances from the developer and proposed water operations revenue. The district plans to impose a mill levy in 2026 for Saddlehorn Ranch Metropolitan District No. 1.

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 (currently inactive), a Water Operations Fund to account for revenues and expenditures related to providing water services to residents, and a Water Capital/Debt Service Fund to account for the construction of and financing of the water infrastructure (currently inactive).

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

*

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 3204 N. Academy Boulevard, Suite 100, Colorado Springs, CO 80917 on November 12, 2025, at the hour of 2:00 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

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 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 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 12, 2025.

DISTRICT:

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

By: _____
Officer of the District

ATTEST:

By: _____

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 3204 N. Academy Boulevard, Suite 100, Colorado Springs, CO 80917 and via teleconference on Wednesday, November 12, 2025, as recorded in the official record of the proceedings of the District.

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

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

SADDLEHORN RANCH METROPOLITAN DISTRICT #2

2026 BUDGET

GENERAL FUND

	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
10/7/2025					
GENERAL FUND BEGINNING BALANCE	\$ 8,007	\$ (42,160)	\$ (42,160)	\$ 722	\$ -
REVENUES					
PROPERTY TAXES	\$ 26,994	\$ 29,948	\$ 29,948	\$ 33,689	\$ 36,131
SPECIFIC OWNERSHIP TAXES	\$ 2,523	\$ 2,145	\$ 2,145	\$ 2,358	\$ 2,529
TAP FEE	\$ -	\$ 75,000	\$ 75,000	\$ 875,000	
TRASH SERVICE FEES				\$ -	
DELINQUENT INTEREST	\$ 222	\$ 63	\$ 63		
DEVELOPER ADVANCES			\$ 53,930		\$ 68,000
INTEREST EARNINGS	\$ 387	\$ 1	\$ 1		
OTHER	\$ 500				
TOTAL REVENUES	\$ 30,626	\$ 107,157	\$ 161,087	\$ 911,047	\$ 106,661
TOTAL REVENUES AND FUND BALANCE	\$ 38,633	\$ 64,997	\$ 118,927	\$ 911,769	\$ 106,661
EXPENDITURES					
BANK FEES	\$ 42				
AUDIT		\$ 10,750	\$ 10,750	\$ -	\$ 11,600
INSURANCE		\$ 1,084	\$ 1,084		\$ 1,100
TREASURERS FEE	\$ 408	\$ 450	\$ 505	\$ 505	\$ 542
TRANSFER TO DISTRICT 1	\$ 66,003	\$ 16,250	\$ 31,588	\$ 35,542	\$ 38,119
TRANSFER TO WATER OPERATIONS FUND		\$ 53,000	\$ 55,000	\$ 200,000	
TRANSFER TO DEBT SERVICE FUND (TAP FEES)		\$ 22,000	\$ 20,000	\$ 625,000	\$ -
TRANSFER TO PROJECT FUND	\$ 14,340				
ACCESSIBILITY COMPLIANCE				\$ 3,500	
CONTINGENCY					
TOTAL EXPENDITURES	\$ 80,793	\$ 103,535	\$ 118,927	\$ 864,547	\$ 51,361
ENDING FUND BALANCE	\$ (42,160)	\$ (38,538)	\$ -	\$ 47,222	\$ 55,300
EMERGENCY RESERVE 3%	2,424	3,106	3,568	25,936	1,541
ASSESSED VALUATION	\$ 2,687,450			\$ 3,368,880	\$ 3,299,370
MILL LEVY	10.000			10.000	10.951
Not to Exceed 5.25% limit					7.25%

SADDLEHORN RANCH METROPOLITAN DISTRICT #2
2026 BUDGET

DEBT SERVICE FUND

	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
DEBT SERVICE FUND BEGINNING BALANCE	\$ (167,693)	\$ 1,032	\$ 1,032	\$ 57,158	\$ 1,032
SERIES 2023:REVENUE					
REVENUE SERIES 2023 A BOND					
PROPERTY TAX	\$ 134,970	\$ 149,741	\$ 149,741	\$ 168,444	\$ 213,519
SPECIFIC OWNERSHIP TAX	\$ 12,616	\$ 10,725	\$ 11,791	\$ 11,791	\$ 14,946
DELINQUENT INTEREST	\$ 1,108	\$ 313	\$ 313		
TRANSFER OF TAP FEES	\$ 872,669				
TRANSFERS IN FROM GENERAL FUND		\$ 22,000	\$ 674,411	\$ 625,000	\$ 647,167
TRANSFER IN FROM DISTRICT 1					
INTEREST INCOME	\$ 5,144	\$ 3,869	\$ 4,000	\$ -	
TOTAL INFLOWS & REVENUES	\$ 1,026,507	\$ 186,649	\$ 840,256	\$ 805,235	\$ 875,632
EXPENSES					
SERIES 2021A - PRINCIPAL AND INTEREST					
SERIES 2023(3) - INTEREST			\$833,760	\$833,760	\$833,760
TRANSFER TO DISTRICT NO 2 CAPITAL PROJECT FUND					
COSTS OF ISSUANCE		\$ 250	\$ 250		
COST CERTIFICATION					
UNDERWRITERS DISCOUNT					
INTEREST EXPENSE	\$ 855,741			\$ -	
TRUSTEE FEE	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
TREASURERS FEE	\$ 2,041	\$ 2,251	\$ 2,246	\$ 2,527	\$ 3,203
BANK CHARGE					
TOTAL EXPENSES	\$ 857,782	\$ 6,501	\$ 840,256	\$ 840,287	\$ 840,963
ENDING BALANCE	\$ 1,032	\$ 181,180	\$ 1,032	\$ 22,106	\$ 35,701
ASSESSED VALUATION	\$ 2,687,450			\$ 3,368,880	\$ 3,299,370
MILL LEVY	50.000			50.000	64.715
TOTAL MILL LEVY	60.000			60.000	75.666

SADDLEHORN RANCH METROPOLITAN DISTRICT #2
2026 BUDGET

CAPITAL PROJECTS FUND

	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
CAPITAL PROJECTS FUND BEGINNING BALANCE	\$ (14,340)	\$ -	\$ -	\$ 15,129	\$ -
SERIES 2023:REVENUE					
REVENUE SERIES 2023 BOND					
TAP FEES					
SPECIFIC OWNERSHIP TAX		\$ -	\$ -		\$ -
TRANSFERS IN FROM OPERATING ACCOUNT	\$ 14,340				
TRANSFERS IN FROM D2 AND D3 DEBT SERVICE					
INTEREST INCOME					
TOTAL INFLOWS & REVENUES	\$ 14,340	\$ -	\$ -	\$ -	\$ -
RAW WATER PURCHASE					
WATER LINES					
WATER TREATMENT PLANT					
WATER					
VEHICLES					
EROSION CONTROL					
EARTHWORK					
ENTRYWAY					
STORM DRAIN					
STREETS					
PARK AND RECREATION					
TRAFFIC CONTROL					
CONSULTING AND CONSTRUCTION MANAGEMENT					
ACCOUNTING, LEGAL & OTHER PROFESSIONAL					
CONTINGENCY					
TRANSFER TO WATER OPERATIONS FUND					
TOTAL OUTFLOWS	\$ -	\$ -	\$ -	\$ -	\$ -
ENDING BALANCE	\$ -	\$ -	\$ -	\$ 11	\$ -

SADDLEHORN RANCH METROPOLITAN DISTRICT #2

2026 BUDGET

TAP FEE SPECIAL REVENUE FUND

	2024	2025	2025	2025	2026
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
TAP FEE FUND BEGINNING BALANCE	250000	\$ 94,135	\$ 94,135		\$ 94,135
REVENUES					
TAP FEES WITHIN DISTRICT NO. 2	825,000				
TOTAL REVENUES	825,000	-	-		-
EXPENDITURES					
INTERGOVERNMENTAL EXPENDITURES DISTRICT #1	108,196				
TRANSFER TO DEBT SERVICE FUND	872,669				
TOTAL EXPENDITURES	980,865	\$ -	\$ -		\$ -
ENDING BALANCE	94,135	\$ 94,135	\$ 94,135		\$ 94,135

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

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

The attached 2026 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 2026 is tax collections and tap fees for access to its water production and distribution system. The district will impose a mill levy in 2026. 10.951 mills - (general fund) 64.715 mills - (debt service fund) 0.000 mills - (capital projects fund)

EXPENDITURES

The district has adopted five 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 Debt Service Fund to account for the construction of and financing of the water infrastructure.



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SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 AND 2
JOINT ANNUAL ADMINISTRATIVE RESOLUTION
(2026)

WHEREAS, Saddlehorn Ranch Metropolitan District Nos. 1 and 2 (each a “District”), were organized as special districts pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “**County**”), and is located entirely within the City of Colorado Springs; and

WHEREAS, the Board of Directors (the “**Board**”) of each District has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

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

1. The Board directs the District’s Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District’s Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number, and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District’s Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s legal counsel to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District’s accountant to: (a) obtain proposals for auditors to be presented to the Board; (b) cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and (c) cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31 in accordance with § 29-1-604, C.R.S.

6. The Board directs the District’s legal counsel, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District the District’s audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15 and prepare the final budget and budget message, including any amendments thereto, if necessary. The Board also directs the District's accountant to perform the property tax limit calculation, if required by §§ 29-1-306, *et seq.*, C.R.S., and to inform the Board of the result of such calculation. The Board directs the District's Manager to schedule a public hearing on the proposed budget or amendments, as applicable, and to post or publish notices thereof. The Board directs legal counsel to prepare all budget resolutions. The Board directs the District's Manager to file the budget, budget resolution, and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel, the District's Manager, and the Board when expenditures are expected to exceed appropriated amounts. The Board directs legal counsel to prepare all budget amendment resolutions. The Board directs the District's Manager to schedule a public hearing on a proposed budget amendment and post or publish notices thereof in accordance with § 29-1-106, C.R.S. The Board directs the District's Manager to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S.

12. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with § 32-1-902(3)(b) and § 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections, or deletions to said conflicts of interest disclosures.

13. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

14. The Board hereby appoints the District's Manager as the official custodian for the maintenance, care, and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S. The Board hereby directs its legal counsel, accountant, manager, and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

15. The Board directs the District's Manager to post notice of all regular and special meetings in accordance with § 32-1-903(2) and § 24-6-402(2)(c), C.R.S. The Board hereby designates <https://wsdistricts.co/saddlehorn-ranch-metropolitan-district-nos-1-3/> as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, the northeast intersection of Section 3, Township 13 South and Range 64 West (District No. 1) and the Southwest corner of the District, at Section 10 Township 13 South and Range 64 West (District No. 2), within the boundaries of each District, as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District's Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to § 24-32-116, C.R.S.

16. The Board determines to hold regular meetings on [dates and times to be determined]. All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

17. The Board determines to hold and provide notice of an annual meeting, pursuant to § 32-1-903(6), on [date and time to be determined], subject to change by action of the Board. Notice of the annual meeting shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable. The District's Manager shall be responsible for coordinating the required notice and presentations for the annual meeting.

18. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

19. The Board directs the District's Manager to maintain the District's website in compliance with state and federal requirements and to make such documents and information required by § 32-1-104.5, C.R.S., and other applicable laws, rules and regulations, available to the public on the District's website.

20. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101,

et seq., C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in § 1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie, as the Designated Election Official (the “**DEO**”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with § 1-13.5-513, C.R.S.

22. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District and file a copy of such certification with the Division of Securities.

23. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

24. Pursuant to the authority set forth in § 24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Alecia K. Roberts of the law firm of WBA, PC, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs the District's Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with § 32-1-1101.5(1.5), (2), C.R.S.

26. The Board directs the District's Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder, and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report in accordance with § 32-1-207(3)(c), C.R.S.

27. The Board directs the District's Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's Manager to review and update the District's property schedule as needed, and no less than annually. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees, and insurance premiums, as applicable, in a timely manner. The Board appoints the District's Manager to designate the proxy for the SDA Annual meeting for voting and quorum purposes.

28. The Board hereby opts to exclude elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District's Manager to file a statement with the Division of Workers' Compensation in the Department of Labor and

Employment not less than forty-five (45) days before the start of the policy year for which the option is to be exercised, in accordance with § 8-40-202(1)(a)(I)(B), C.R.S.

29. The Board hereby directs the District's Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: <https://wsdistricts.co/saddlehorn-ranch-metropolitan-district-nos-1-3/>.

30. The Board hereby directs legal counsel to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

31. In accordance with § 38-35-109.5(2), C.R.S., the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

32. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with § 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction, or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by § 24-71.3-118, C.R.S.

33. The Board directs the District's Accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

34. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED NOVEMBER 12, 2025

(SEAL)

DISTRICTS:

**SADDLEHORN RANCH METROPOLITAN
DISTRICT NOS. 1 AND 2**, quasi-municipal
corporations and political subdivisions of the
State of Colorado

By: _____
Officer of the Districts

Attest:

By: _____

[Signature Page to 2026 Joint Annual Administrative Resolution]



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November 12, 2025

Board of Directors
Saddlehorn Ranch Metropolitan District No. 1
c/o WSDM Managers
3204 N. Academy Blvd., Suite 100
Colorado Springs, CO 80917

RE: Engagement of WBA, PC

Dear Directors:

We are pleased to confirm our continued engagement as general counsel to the Saddlehorn Ranch Metropolitan District No. 1 (the "District").

This engagement letter provides the terms upon which WBA, PC ("WBA") will provide legal services to the District and is intended to formalize our retention/continued engagement as general counsel, as required by the applicable Rules of Professional Conduct. This letter is intended to replace the prior engagement letter and reflect WBA's representation of the District specifically. This letter sets forth details of the engagement, including how we propose to staff the matter, billing arrangements and certain conflict of interest understandings, with the terms of this engagement letter superseding the terms of all prior letters. Additional information about WBA can be found at www.wbapc.com.

The total price for legal services to be provided under this engagement letter cannot be precisely determined at this time due to the variable nature of legal work. Time spent by our lawyers, paralegals, and (where applicable) other staff and reimbursement of expenses incurred in your representation will be the basis for the total price. The hourly rates for our lawyers, paralegals, and (where applicable) other staff are set forth below in this engagement letter. The time spent and expenses incurred will be set forth on invoices that will be sent to you on a monthly basis. The total price of our legal services and the amount of our expenses incurred on your behalf will vary and may increase or decrease on a month-to-month basis depending on the needs and progress of your matter.

1. Personnel. Legal services provided under this engagement may be performed by any lawyer at WBA. We will also use paralegals and/or other support staff as we believe to be necessary and effective in providing you with legal services.

2. Fees, Expenses and Retainer. The total cost of WBA's services on the District's behalf will vary. Our fees will be based upon time charged using the hourly rates charged by each attorney or paralegal working on the matter. WBA's legal services are billed on an hourly basis,

in increments of one-tenth of an hour, and are not contingent. Some of WBA's services are allocated on an equitable basis to clients who benefit from general legal work by our personnel. Hourly rates for professionals in WBA currently range from \$250.00 to \$600.00 (attorneys), from \$135.00 to \$240.00 (paralegals), and are \$200.00 to \$240.00 for other professionals. Hourly rates are revised periodically to reflect the current cost for delivery of legal services and the fees charged for services under this engagement may change without notice. From time-to-time WBA prepares memoranda, agreements or other documents based upon current legislative, State, and Federal law concerns that are the subject of common interest and benefit to our clients. WBA allocates the fees for this work on an equitable basis to clients who benefit from this legal work by WBA's personnel. If you do not wish to receive this information, please advise us accordingly. WBA contracts with other law firms for the performance of specialized services. If these services are rendered on behalf of the Client, the fees and costs associated with those services will be reflected on WBA's bill.

In addition to legal fees, WBA also charges for certain out-of-pocket costs incurred by us in representing you. Charges for long-distance telephone calls (domestic only), conference calling services (domestic only), facsimiles (domestic only), in-office copying, ordinary postage (under \$10.00), and deliveries made by in-house staff, are covered by an administrative fee, currently equal to 2.5% of the legal fees charged. This administrative fee is in lieu of itemizing those expenses and may be adjusted over time. If there are other expenses, such as filing and recording fees, computer-assisted research fees, mileage, delivery service fees, travel, meals or hotel accommodation charges, those will be billed separately. These costs are subject to the same payment terms as legal fees and are your responsibility. WBA's policy is to advance or incur expenses on a discretionary basis up to \$1,000.00, subject to your reimbursement of them in the next bill. If an expense exceeds that amount, we will ask you to pay it directly to us in advance or have you contract directly with the vendor.

WBA will not require the payment of a retainer at this time, but we reserve the right to require a retainer if deemed necessary by WBA or if you fail to timely pay invoices.

3. Billing. Generally, invoices for fees and expenses will be submitted to you monthly and are due upon receipt. If an invoice remains unpaid after thirty (30) days, we will consider it in default and you agree that we may charge a late fee on all amounts due and owing at the rate of one percent (1%) compounded monthly. By signature below, you agree to pay all fees, costs, and expenses billed by WBA for the legal services. If payments as described above are not paid on a timely basis, WBA may withdraw from the representation in accordance with the Rules of Professional Conduct. In the event that WBA is compelled to resort to collection of your account, which may or may not include litigation, you agree that your obligations to WBA shall include payment of all costs and expenses of such collection efforts, including court fees and costs, attorneys' fees, and out-of-pocket expenses.

4. Attorney-Client Relationship. In performing our services as general counsel to the District, the District will be our client. We will represent the interests of the District, acting through its duly authorized management and at the Board of Directors' (the "Board" or

“Directors”) direction. We do not represent the interests of any of the Board, the Directors individually, or the District’s employees. Nothing in this engagement agreement and nothing in our statements to you will be construed as a guarantee or promise about the outcome of any matter which WBA may handle on your behalf. Our comments about the outcome of your matters or any phase thereof are expressions of opinion only. Further, neither WBA nor any of its attorneys or employees shall be employed, retained, or otherwise categorized as a “municipal advisor” to the District as such term is defined in the 15 U.S.C. 78o-4(e)(4)(c), as amended by the Dodd/Frank Act (the “Act”), or any rules promulgated by the Securities and Exchange Commission under the Act. Any comments or advice provided by WBA or its attorneys regarding the issuance of securities by the District shall be solely of a “traditional legal nature,” as permitted under the Act. Throughout the attorney-client relationship, the District consents to the use of the District’s name and public information relating to the District’s transactions on WBA’s website or in other marketing materials.

5. Conflicts of Interest. We have performed an internal review for potential conflicts of interest based upon information you have provided to us. Although we are not aware of a conflict of interest based on our prior representation of the Developer in the formation of the District, we feel that it is important to disclose that prior engagement to you. The District, together with the Saddlehorn Metropolitan District Nos. 2-5 (with the District, collectively, the “Districts”), were organized to work together to provide the public improvements and services needed for the community. There may be issues on which the Districts have conflicting interests relative to administration, financing, construction or general operations. Also, due to the fact that special districts are governed by an elected board of directors, which instructs us regarding the policies it wishes to implement or pursue, policies of a district may change from board to board and conflicts of interest among the Districts can arise accordingly. If a conflict arises, WBA may be required to withdraw from representation of the Districts involved in the disputed issue, and those Districts may need to retain independent counsel regarding the disputed issue.

WBA represents many other local governments and municipal clients that may be viewed as competing with the District. Simultaneous representation in unrelated matters of clients whose interests are only economically adverse, such as representation of competing economic enterprises in unrelated transactions, does not ordinarily constitute a conflict of interest that requires consent of the respective clients.

6. Document Retention. WBA maintains its client files electronically and ordinarily does not keep separate paper files. We will scan documents you or others send to us related to your work to our electronic file and will ordinarily maintain the electronic version throughout the term of our engagement or, in some instances, while a particular matter or project is pending. Unless you instruct us otherwise, with limited exceptions for certain documents such as original real property deeds and promissory notes, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us. Following the conclusion of our services, we will return the District’s files to the District upon request, unless WBA has not received payment of all outstanding fees and costs, in which case WBA reserves the right to

withhold them until payment is made. Otherwise, no sooner than thirty (30) days after the conclusion of our services, we may destroy the files. Please note that if WBA is designated as the public records custodian for the District pursuant to §§24-72-202, *et seq.*, C.R.S., WBA will maintain all public records in accordance with any duly approved and adopted retention and destruction policy of the District and the Colorado State Archives or similar regulatory body.

7. Termination. You will have the right to terminate our representation at any time. Whether you terminate the representation, or we terminate the representation for reasons set forth in the Rules of Professional Conduct, including nonpayment of legal fees and expenses, all fees incurred for services rendered through the date of termination, as well as all costs and expenses incurred by us on your behalf, must be paid within ten (10) days of receipt of our final statement. We reserve the right to charge for any extraordinary work required in connection with the orderly transition of pending matters to new counsel. Upon conclusion of our services, whether due to termination or completion of the work, we will not thereafter be responsible for legal matters for which our services have not been specifically requested and we have agreed to perform in writing.

8. Arbitration of Disputes. If a dispute arises regarding our services or fees set forth in this engagement letter or any prior engagement letter between you and WBA, any fee dispute will be decided by the Colorado Bar Association Legal Fee Arbitration Committee (the “Committee”) in Denver, Colorado, in accordance with the rules and procedures used by the Committee. There is no charge for the dispute resolution services provided by the Committee and each party will pay its own costs and expenses. If, either in addition to a pending fee dispute or in the absence of one, any other dispute or claim of any type or nature arises with respect to services rendered pursuant to this engagement agreement or any prior engagement letter between you and WBA, including, without limitation, a claim for legal malpractice, it will be decided by the Judicial Arbitrator Group (“JAG”) in Denver, Colorado, by a single arbitrator to be mutually agreed to by the parties. Each party will be responsible for paying one half of all fees and expenses charged by the arbitrator. Colorado law, including all applicable statutes of limitation and other defenses, will apply to the dispute before JAG just as if it had been brought in a judicial proceeding. In the absence of an agreement to the contrary, the Colorado Rules of Civil Procedure shall apply to the dispute before JAG just as if the dispute had been filed in district court. The parties recognize that by agreeing to arbitration as the method for dispute resolution, they: relinquish the right to bring an action in court and seek remedies available in court proceedings, including the extensive discovery rights typically permitted in judicial proceedings; waive the right to a jury trial; acknowledge the arbitrator’s award is not required to include factual findings or legal reasoning; and acknowledge that any party’s right to appeal or seek modification of the award is strictly limited and the award is final and binding on the parties.

9. Representative Client Lists. WBA currently maintains a website, firm résumé, and other materials for use with current and potential clients, and for marketing purposes. Execution of this engagement letter provides your consent to WBA’s use of the District’s name as a representative client of WBA on our website, firm résumé, and other materials.

If you are in agreement with the foregoing terms of this engagement and it meets your understanding of the professional relationship we have established, please have an authorized representative of the District sign and return a copy of this letter to our office at your earliest convenience. By signing below, you acknowledge that you have been given the opportunity to discuss this engagement letter with another attorney or any other person of your choosing.

We look forward to working with you and will commit the necessary resources of WBA to meet your needs. Our efforts will always be to ensure that our relationship is based on open and honest communication regarding these matters. If at any time you have questions concerning our representation, please feel free to contact us immediately.

Sincerely,

WBA, PC
Attorneys at Law

WBA, PC

BMD/maj

APPROVED, ACCEPTED AND AGREED TO BY:

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1

Signature

Printed Name: _____

Position: _____

Date: _____



November 12, 2025

Board of Directors
Saddlehorn Ranch Metropolitan District No. 2
c/o WSDM Managers
3204 N. Academy Blvd., Suite 100
Colorado Springs, CO 80917

RE: Engagement of WBA, PC

Dear Directors:

We are pleased to confirm our continued engagement as general counsel to the Saddlehorn Ranch Metropolitan District No. 2 (the "District").

This engagement letter provides the terms upon which WBA, PC ("WBA") will provide legal services to the District and is intended to formalize our retention/continued engagement as general counsel, as required by the applicable Rules of Professional Conduct. This letter is intended to replace the prior engagement letter and reflect WBA's representation of the District specifically. This letter sets forth details of the engagement, including how we propose to staff the matter, billing arrangements and certain conflict of interest understandings, with the terms of this engagement letter superseding the terms of all prior letters. Additional information about WBA can be found at www.wbapc.com.

The total price for legal services to be provided under this engagement letter cannot be precisely determined at this time due to the variable nature of legal work. Time spent by our lawyers, paralegals, and (where applicable) other staff and reimbursement of expenses incurred in your representation will be the basis for the total price. The hourly rates for our lawyers, paralegals, and (where applicable) other staff are set forth below in this engagement letter. The time spent and expenses incurred will be set forth on invoices that will be sent to you on a monthly basis. The total price of our legal services and the amount of our expenses incurred on your behalf will vary and may increase or decrease on a month-to-month basis depending on the needs and progress of your matter.

1. Personnel. Legal services provided under this engagement may be performed by any lawyer at WBA. We will also use paralegals and/or other support staff as we believe to be necessary and effective in providing you with legal services.

2. Fees, Expenses and Retainer. The total cost of WBA's services on the District's behalf will vary. Our fees will be based upon time charged using the hourly rates charged by each attorney or paralegal working on the matter. WBA's legal services are billed on an hourly basis,

in increments of one-tenth of an hour, and are not contingent. Some of WBA's services are allocated on an equitable basis to clients who benefit from general legal work by our personnel. Hourly rates for professionals in WBA currently range from \$250.00 to \$600.00 (attorneys), from \$135.00 to \$240.00 (paralegals), and are \$200.00 to \$240.00 for other professionals. Hourly rates are revised periodically to reflect the current cost for delivery of legal services and the fees charged for services under this engagement may change without notice. From time-to-time WBA prepares memoranda, agreements or other documents based upon current legislative, State, and Federal law concerns that are the subject of common interest and benefit to our clients. WBA allocates the fees for this work on an equitable basis to clients who benefit from this legal work by WBA's personnel. If you do not wish to receive this information, please advise us accordingly. WBA contracts with other law firms for the performance of specialized services. If these services are rendered on behalf of the Client, the fees and costs associated with those services will be reflected on WBA's bill.

In addition to legal fees, WBA also charges for certain out-of-pocket costs incurred by us in representing you. Charges for long-distance telephone calls (domestic only), conference calling services (domestic only), facsimiles (domestic only), in-office copying, ordinary postage (under \$10.00), and deliveries made by in-house staff, are covered by an administrative fee, currently equal to 2.5% of the legal fees charged. This administrative fee is in lieu of itemizing those expenses and may be adjusted over time. If there are other expenses, such as filing and recording fees, computer-assisted research fees, mileage, delivery service fees, travel, meals or hotel accommodation charges, those will be billed separately. These costs are subject to the same payment terms as legal fees and are your responsibility. WBA's policy is to advance or incur expenses on a discretionary basis up to \$1,000.00, subject to your reimbursement of them in the next bill. If an expense exceeds that amount, we will ask you to pay it directly to us in advance or have you contract directly with the vendor.

WBA will not require the payment of a retainer at this time, but we reserve the right to require a retainer if deemed necessary by WBA or if you fail to timely pay invoices.

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4. Attorney-Client Relationship. In performing our services as general counsel to the District, the District will be our client. We will represent the interests of the District, acting through its duly authorized management and at the Board of Directors' (the "Board" or

“Directors”) direction. We do not represent the interests of any of the Board, the Directors individually, or the District’s employees. Nothing in this engagement agreement and nothing in our statements to you will be construed as a guarantee or promise about the outcome of any matter which WBA may handle on your behalf. Our comments about the outcome of your matters or any phase thereof are expressions of opinion only. Further, neither WBA nor any of its attorneys or employees shall be employed, retained, or otherwise categorized as a “municipal advisor” to the District as such term is defined in the 15 U.S.C. 78o-4(e)(4)(c), as amended by the Dodd/Frank Act (the “Act”), or any rules promulgated by the Securities and Exchange Commission under the Act. Any comments or advice provided by WBA or its attorneys regarding the issuance of securities by the District shall be solely of a “traditional legal nature,” as permitted under the Act. Throughout the attorney-client relationship, the District consents to the use of the District’s name and public information relating to the District’s transactions on WBA’s website or in other marketing materials.

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6. Document Retention. WBA maintains its client files electronically and ordinarily does not keep separate paper files. We will scan documents you or others send to us related to your work to our electronic file and will ordinarily maintain the electronic version throughout the term of our engagement or, in some instances, while a particular matter or project is pending. Unless you instruct us otherwise, with limited exceptions for certain documents such as original real property deeds and promissory notes, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us. Following the conclusion of our services, we will return the District’s files to the District upon request, unless WBA has not received payment of all outstanding fees and costs, in which case WBA reserves the right to

withhold them until payment is made. Otherwise, no sooner than thirty (30) days after the conclusion of our services, we may destroy the files. Please note that if WBA is designated as the public records custodian for the District pursuant to §§24-72-202, *et seq.*, C.R.S., WBA will maintain all public records in accordance with any duly approved and adopted retention and destruction policy of the District and the Colorado State Archives or similar regulatory body.

7. Termination. You will have the right to terminate our representation at any time. Whether you terminate the representation, or we terminate the representation for reasons set forth in the Rules of Professional Conduct, including nonpayment of legal fees and expenses, all fees incurred for services rendered through the date of termination, as well as all costs and expenses incurred by us on your behalf, must be paid within ten (10) days of receipt of our final statement. We reserve the right to charge for any extraordinary work required in connection with the orderly transition of pending matters to new counsel. Upon conclusion of our services, whether due to termination or completion of the work, we will not thereafter be responsible for legal matters for which our services have not been specifically requested and we have agreed to perform in writing.

8. Arbitration of Disputes. If a dispute arises regarding our services or fees set forth in this engagement letter or any prior engagement letter between you and WBA, any fee dispute will be decided by the Colorado Bar Association Legal Fee Arbitration Committee (the “Committee”) in Denver, Colorado, in accordance with the rules and procedures used by the Committee. There is no charge for the dispute resolution services provided by the Committee and each party will pay its own costs and expenses. If, either in addition to a pending fee dispute or in the absence of one, any other dispute or claim of any type or nature arises with respect to services rendered pursuant to this engagement agreement or any prior engagement letter between you and WBA, including, without limitation, a claim for legal malpractice, it will be decided by the Judicial Arbitrator Group (“JAG”) in Denver, Colorado, by a single arbitrator to be mutually agreed to by the parties. Each party will be responsible for paying one half of all fees and expenses charged by the arbitrator. Colorado law, including all applicable statutes of limitation and other defenses, will apply to the dispute before JAG just as if it had been brought in a judicial proceeding. In the absence of an agreement to the contrary, the Colorado Rules of Civil Procedure shall apply to the dispute before JAG just as if the dispute had been filed in district court. The parties recognize that by agreeing to arbitration as the method for dispute resolution, they: relinquish the right to bring an action in court and seek remedies available in court proceedings, including the extensive discovery rights typically permitted in judicial proceedings; waive the right to a jury trial; acknowledge the arbitrator’s award is not required to include factual findings or legal reasoning; and acknowledge that any party’s right to appeal or seek modification of the award is strictly limited and the award is final and binding on the parties.

9. Representative Client Lists. WBA currently maintains a website, firm résumé, and other materials for use with current and potential clients, and for marketing purposes. Execution of this engagement letter provides your consent to WBA’s use of the District’s name as a representative client of WBA on our website, firm résumé, and other materials.

If you are in agreement with the foregoing terms of this engagement and it meets your understanding of the professional relationship we have established, please have an authorized representative of the District sign and return a copy of this letter to our office at your earliest convenience. By signing below, you acknowledge that you have been given the opportunity to discuss this engagement letter with another attorney or any other person of your choosing.

We look forward to working with you and will commit the necessary resources of WBA to meet your needs. Our efforts will always be to ensure that our relationship is based on open and honest communication regarding these matters. If at any time you have questions concerning our representation, please feel free to contact us immediately.

Sincerely,

WBA, PC
Attorneys at Law

WBA, PC

BMD/maj

APPROVED, ACCEPTED AND AGREED TO BY:

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

Signature

Printed Name: _____

Position: _____

Date: _____