

RESOLUTION NO. 2025-10-04

RESOLUTION OF THE BOARD OF DIRECTORS OF E-86 METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN

A. E-86 Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the Town of Elizabeth, on August 28, 2018 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum debt service mill levy of 50.000 mills (“**Maximum Debt Mill Levy**”).

D. Section VI.C. of the Service Plan authorizes adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2008 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement (each, an “**Adjustment**”). The Maximum Debt Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly (the “**General Assembly**”), or as voted by the electors of the State of Colorado, is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

G. At the time of the Baseline Year, the residential assessment ratio set by the General Assembly was 7.96%.

H. In 2024, the General Assembly passed Senate Bill 24-233 and House Bill 24B-1001 (collectively, the “**2024 Legislation**”), which amended Section 39-1-104.2, C.R.S., among other things, by reducing the residential assessment ratio for property tax assessment year 2025 for local governments that are not a school district, as follows:

1. If the increase in statewide value of growth between property tax year 2024 and property tax year 2025, as determined by the State Board of Equalization (the

“SBOE”), is greater than five percent (5%) then residential real property will be assessed at 6.15%; or

2. If the increase in statewide value of growth between property tax year 2024 and property tax year 2025, as determined by the SBOE, is less than or equal to five percent (5%) then residential real property will be assessed at 6.25%.

I. On October 10, 2025, the SBOE certified the statewide actual value of growth between property tax year 2024 and property tax year 2025 at less than five percent (5%). As a result, and in accordance with the 2024 Legislation, residential real property will be assessed at 6.25% for property tax assessment year 2025 for local governments that are not a school district, including the District.

J. The Amended and Restated Operation Funding Agreement by and between the District and E 86 J.V., LLC, dated April 21, 2021, as amended by the First Amendment to Amended and Restated Operation Funding Agreement by and between the District and E 86 J.V., LLC, dated October 21, 2021 (together, the “OFA”), requires the District to impose an operations mill levy of 11.000 mills (the “O&M Mill Levy”), subject to the Adjustment.

K. In compliance with the Service Plan and OFA, and in order to mitigate the effect of the reduction in the assessment ratio for residential real property set by the 2024 Legislation for property tax assessment year 2025 (for collection year 2026), the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy and O&M Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of E-86 Metropolitan District, Town of Elizabeth, Elbert County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy and O&M Mill Levy] to reflect that, in accordance with the 2024 Legislation, the assessment ratio applicable to residential real property is 6.25% for property tax assessment year 2025, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a mill levy imposition of 63.573 mills for debt service and the OFA requires a mill levy of 13.986 mills for operations and maintenance services (collectively, the “Adjusted Mill Levies”), so that District revenues shall be neither diminished nor enhanced as a result of the changes in the residential assessment ratio for collection year 2026.

3. The Adjusted Mill Levies shall be reflected in the District’s Certification of Tax Levies to be submitted to the Board of County Commissioners for Elbert County on or before December 15, 2025, for collection in 2026.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 23, 2025.

E-86 METROPOLITAN DISTRICT

Signed by:
James Marshall

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President

Attest:

Signed by:
Ryan Stevens

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Secretary

EXHIBIT A
 History of Residential Assessment Ratio

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
1995	1996	10.36%
1996	1997	
1997	1998	9.74%
1998	1999	
1999	2000	
2000	2001	
2001	2002	9.15%
2002	2003	
2003	2004	7.96%
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	

2016	2017	
2017	2018	7.20%
2018	2019	
2019	2020	7.15%
2020	2021	
2021	2022	
2022	2023	6.95% (other than multi-family) 6.80% (multi-family)
2023	2024	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000
2024	2025	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000
2025	2026	6.25%