



## ICENOGLE SEAVER POGUE

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March 2, 2023

Moses Garcia, Esq.  
City of Loveland  
500 East 3<sup>rd</sup> Street, Suite 330  
Loveland, Colorado 80537  
(Via Email:  
*Stephanie.Cardew@cityofloveland.org*)

Office of the State Auditor  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, Colorado 80203  
(Via E-Portal)

Division of Local Government  
1313 Sherman Street  
Room 521  
Denver, Colorado 80203  
(Via E-Portal)

Larimer County Clerk and Recorder  
Larimer County Colorado  
P.O. Box 1280  
Fort Collins, Colorado 80522  
(Via Email: *recording@larimer.org*)

### **Re: Annual Report for The Lakes at Centerra Metropolitan Districts Nos. 1 – 3**

To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2022 Annual Report for The Lakes at Centerra Metropolitan Districts Nos. 1 – 3.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation

Stacie L. Pacheco  
Paralegal

*Stacie L. Pacheco* | *SPacheco@isp-law.com* | *Direct 303.867.3000*

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | [www.isp-law.com](http://www.isp-law.com)

## THE LAKES AT CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 3

### 2022 ANNUAL REPORT TO THE CITY OF LOVELAND

Pursuant to the Consolidated Service Plan (“Service Plan”) for The Lakes at Centerra Metropolitan Districts Nos. 1 – 3 (individually, “District No. 1,” “District No. 2,” and “District No. 3”; collectively, the “Districts”), the Districts are required to provide an annual report to the City of Loveland (the “City”) with regard to the following matters that occurred during calendar year 2022.

In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the City, the Division of Local Government, the state auditor, and the Larimer County Clerk and Recorder. The Districts hereby submit this annual report to satisfy the above requirements for the year 2022.

- A. Boundary changes made or proposed.
- B. Intergovernmental agreements with other governmental bodies entered into or proposed.
- C. Changes or proposed changes in the Districts’ policies.
- D. Changes or proposed changes in the Districts’ operations.
- E. Any changes in the financial status of the Districts, including revenue projections or operating costs.
- F. A summary of any litigation which involves the Districts.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of the Districts’ public improvement construction schedule.
- I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.
- J. Summary of financial information.

**For the year ending December 31, 2022, the Districts make the following report pursuant to its Service Plan:**

- A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2022.

- B. Intergovernmental agreements with other governmental bodies entered into or proposed.

On April 26, 2022, the Districts entered into that certain First Amendment to Amended and Restated Intergovernmental Agreement Concerning District Operations. A copy is attached hereto as **Exhibit A**.

No other intergovernmental agreements were entered into or proposed in 2022.

C. Changes or proposed changes in the Districts' policies.

There were no changes or proposed changes in the Districts' policies in 2022.

D. Changes or proposed changes in the Districts' operations.

There were no other changes or proposed changes in the Districts' operations in 2022.

E. Any changes in the financial status of the Districts, including revenue projections or operating costs.

The financial status of the Districts, including revenue and operating costs for the fiscal year ending 2022 and projected for fiscal year 2023 are reflected in the Districts' 2023 adopted budgets attached hereto as **Exhibit B** and the Districts' 2022 unaudited financial statements, which will be submitted upon completion.

F. A summary of any litigation which involves the Districts.

There was no litigation involving the Districts in 2022.

G. Proposed plans for the year immediately following the year summarized in the annual report.

District No. 1 awarded contracts for construction of Explorer Park public improvements in October 2022 with an estimated project completion in Summer 2023. The project generally includes irrigation and landscaping, benches, playground, dog waste stations, fencing, landscaping drains, potable water, storm sewer, and sidewalk.

H. Status of the Districts' public improvement construction schedule.

The status of the public improvement construction schedule is as follows:

1. The Lakes Residential Phase 10 (Millennium Northwest 19<sup>th</sup> Subdivision) – The City granted initial acceptance of the water/sewer improvements on January 17, 2022, and the streets/storm improvements on January 4, 2022, initiating the 2-year warranty period.
2. Lakes Residential Phase 9 (Millennium Northwest 17<sup>th</sup> Subdivision) – The City granted initial acceptance of the water/sewer improvements on August 11, 2021, and the streets/storm improvements on June 17, 2021, initiating the 2-year warranty period.

3. Lakes Residential Phase 6C (Millennium Northwest 5<sup>th</sup> Subdivision) – The City granted initial acceptance of the water/sewer improvements on September 16, 2021, and the streets/storm improvements on September 14, 2021, initiating the 2-year warranty period.
4. The Lakes Residential Phase 7 (Millennium Northwest 13<sup>th</sup> Subdivision) – The City granted final acceptance of the water/sewer improvements on September 1, 2022, and streets/storm improvements on November 16, 2022.
5. Lakes Residential Phase 8 (Millennium Northwest 16<sup>th</sup> Subdivision) – The City granted final acceptance of the streets/storm improvements on November 16, 2022. The District has requested final acceptance of the water/sewer improvements.

I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.

See Section H above for facilities and improvements that were dedicated to and accepted by the City in 2022.

J. Summary of Financial Information.

1. Assessed value of taxable property within the Districts’ boundaries.

Pursuant to the certifications of valuation received from the Larimer County Assessor, the Districts’ net total taxable assessed valuations for taxable year 2023 are as follows:

District No. 1: \$ 2,465  
 District No. 2: \$ 14,155,498  
 District No. 3: \$ 10,953,256

2. Total acreage of property within the Districts’ boundaries.

District No. 1: 0.52 acres  
 District No. 2: 160.655 acres  
 District No. 3: 142.339 acres

3. The Districts’ indebtedness (stated separately for each class of Debt).

**(a) Operations and Maintenance Expenses.**

All outstanding Subordinate Notes evidencing District No. 1’s repayment obligations for operating and maintenance advances received have been discharged with the issuance of District No. 2’s Junior Lien Limited Tax General Obligation Bonds, Series 2022C and Taxable Junior Subordinate

Limited Tax General Obligation Bonds, Series 2022D.

**(b) Capital Expenses.**

All outstanding Subordinate Notes evidencing District No. 1's repayment obligations for capital advances received have been discharged with the issuance of District No. 2's Junior Lien Limited Tax General Obligation Bonds, Series 2022C and Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D

**(C) Bond Issuances**

1) Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B. As previously reported, on March 15, 2018, District No. 2 refunded loans previously issued in 2016 and 2017 through the issuance of its Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A, in the aggregate principal amount of up to \$29,035,000 (the "Series 2018A Senior Bonds") and its Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the aggregate principal amount of up to \$4,090,000 (the "Series 2018B Subordinate Bonds" and, together with the Series 2018A Senior Bonds, the "Bonds").

To provide for the payment of the Series 2018A Senior Bonds and certain other obligations that may be issued by the District in the future, District No. 2 and District No. 3 entered into an Amended and Restated Senior Capital Pledge Agreement (the "2018 Senior Pledge Agreement"), amending and restating the 2016 Senior Pledge Agreement, pursuant to which District No. 3 will be obligated to impose ad valorem property taxes in an amount equal to the "Senior Required Mill Levy" (as defined therein) and pay the proceeds thereof to the trustee for the 2018A Senior Bonds, or as otherwise directed by District No. 2.

To provide for the payment of the 2018B Subordinate Bonds and certain other obligations that may be issued by the District in the future, as well as any amounts to remain outstanding under certain developer obligations, District No. 2 and District No. 3 entered into an Amended and Restated Subordinate Capital Pledge Agreement, pursuant to which District No. 2 and District No. 3 are obligated to impose ad valorem property taxes in an amount equal to the "Subordinate Required Mill Levy" (as defined therein) and pay the proceeds thereof to the trustee for the 2018B Subordinate Bonds, and developer obligations owed by District No. 1 as provided therein.

2) Junior Lien Limited Tax General Obligation Bonds, Series 2022C and Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D.

On May 2, 2022, District No. 2 issued its Junior Lien Limited Tax General Obligation Bonds, Series 2022C (the “2022C Junior Lien Bonds”) for the purpose of paying a portion of the existing obligations owed by District No. 1 to the developer. To provide for payment of the 2022C Junior Lien Bonds, District No. 2 has entered into a Junior Lien Capital Pledge Agreement, dated as of April 1, 2022, with District No. 3 and UMB Bank, n.a., as trustee (the “Trustee”) pursuant to which District No. 3 is obligated to impose a mill levy in an amount equal to the “Junior Lien Required Mill Levy” (as defined therein) and pay the proceeds thereof to the Trustee for payment of the obligations specified therein, or as otherwise directed by District No. 2.

In addition, on May 2, 2022, District No. 2 issued its Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D (the “2022D Junior Subordinate Bonds”) for the purpose of paying the balance on the existing obligations owed by District No. 1 to the developer and anticipated future obligations owed to the developer. To provide for the payment of the 2022D Junior Subordinate Bonds, District No. 2 has entered into a Junior Subordinate Capital Pledge Agreement, dated as of April 1, 2022, with District No. 3 and the Trustee pursuant to which District No. 3 is obligated to impose a mill levy in an amount equal to the “Junior Subordinate Required Mill Levy” (as defined therein) and pay the proceeds thereof to the Trustee for payment of the obligations specified therein, or as otherwise directed by District No. 2.

Copies of the Resolutions approving the 2022C Junior Lien Bonds and the 2022D Junior Subordinate Bonds are attached hereto as **Exhibit C**.

*Detailed financial information for each District is set forth in the Districts’ unaudited financial statements for the period ending December 31, 2022, which will be submitted upon completion.*

**For the year ending December 31, 2022, the Districts make the following report pursuant to Section 32-1-207(3)(c), C.R.S.:**

**(a) Boundary changes made.**

See Section A. above.

**(b) Intergovernmental agreements entered into or terminated with other governmental entities.**

See Section B. above.

**(c) Access information to obtain a copy of rules and regulations adopted by the board.**

For information concerning rules and regulations adopted by the Districts please contact the Districts' manager:

Andrew Kunkel  
Pinnacle Consulting Group, Inc.  
550 W Eisenhower Blvd  
Loveland, CO 80537  
Phone: (970) 669-3611  
Email: [andrewk@pcgi.com](mailto:andrewk@pcgi.com)

**(d) A summary of litigation involving public improvements owned by the special district.**

In 2022, there was no litigation involving public improvements owned by the Districts.

**(e) The status of the construction of public improvements by the special district.**

See Section H. above.

**(f) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.**

See Section H. above.

**(g) The final assessed valuation of the special district as of December 31 of the reporting year.**

See Section J.1. above.

**(h) A copy of the current year's budget.**

Copies of the Districts 2023 Budgets are attached hereto as **Exhibit B**.

**(i) A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

As of the date of filing this annual report, the 2022 audits or audit exemptions for District Nos. 1, 2 and 3 have not been completed and will be submitted as a supplement to this annual report upon completion.

**(j) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.**

As of December 31, 2022, the Districts did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

**(k) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

As of December 31, 2022, the Districts did not have any inability to pay their obligations as they come due under any obligation which continued beyond a ninety (90) day period.



**EXHIBIT A**

**FIRST AMENDMENT TO AMENDED AND RESTATED INTERGOVERNMENTAL  
AGREEMENT CONCERNING DISTRICT OPERATIONS**

**FIRST AMENDMENT TO AMENDED AND RESTATED  
INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS (the “First Amendment”) is made and entered into the 26th day of April, 2022, by and among THE LAKES AT CENTERRA DISTRICT NO. 1 (“District No. 1” or the “Operating District”), THE LAKES AT CENTERRA DISTRICT NO. 2 (“District No. 2”), and THE LAKES AT CENTERRA DISTRICT NO. 3 (“District No. 3”), quasi-municipal corporations and political subdivisions of the State of Colorado. District No. 2 and District No. 3 are collectively referred to herein as the “Taxing Districts.” District No. 1 and the Taxing Districts are collectively referred to herein as “Districts” or individually as “District.”

**RECITALS**

WHEREAS, on May 15, 2018, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations for the purpose of setting forth their respective roles, responsibilities and obligations in order to most efficiently and effectively provide the Public Improvements and services contemplated pursuant to the Service Plan (the “Operations IGA”); and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Operations IGA; and

WHEREAS, for the purpose of financing a portion of the Public Improvements, including paying amounts due or may become due under the Developer Obligations, and refunding the 2016/2017 Loans, District No. 2 issued its 2018A Senior Bonds, and District No. 2 and District No. 3 agreed to pledge certain revenues for the repayment of the 2018 Senior Bonds pursuant to the 2018A Senior Indenture and Senior Pledge Agreement; and

WHEREAS, for the purpose of financing or reimbursing an additional portion of the Public Improvements including paying amounts due or to become due under the Developer Obligations, District No. 2 issued its 2018B Subordinate Bonds, and District No. 2 and District No. 3 agreed to pledge certain revenues for the repayment of the 2018 Subordinate Bonds pursuant to the 2018B Subordinate Indenture and Subordinate Pledge Agreement; and

WHEREAS, for the purpose of paying and discharging amounts due under the Developer Obligations, the Board of Directors of District No. 2 (the “District No. 2 Board”) has determined to issue its Junior Lien Limited Tax General Obligation Bonds, Series 2022C in the total aggregate principal amount of \$8,500,000 (the “2022C Junior Lien Bonds”) pursuant to an Indenture of Trust (Junior Lien) dated as of April 1, 2022 between District No. 2 and UMB Bank, n.a., as trustee (the “Trustee”); and

WHEREAS, in order to provide for the payment of the 2022C Junior Lien Bonds, District No. 2 has entered into an Junior Lien Capital Pledge Agreement, dated as of April 1, 2022, with District No. 3 and the Trustee pursuant to which District No. 3 is obligated to impose ad valorem

property taxes in an amount equal to the “Junior Lien Required Mill Levy” (as defined therein) and pay the proceeds thereof to the trustee for payment of the obligations specified therein, or as otherwise directed by District No. 2; and

WHEREAS, for the purpose of paying and discharging all amounts due under Developer Obligations, the District No. 2 Board has determined to issue its Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D, in the aggregate principal amount of \$7,004,128 (the “2022D Junior Subordinate Bonds,” together with the Series 2022C Junior Lien Bonds, the “Series 2022 Bonds”) pursuant to an Indenture of Trust (Junior Subordinate) dated as of April 1, 2022 between District No. 2 and the Trustee; and

WHEREAS, in order to provide for the payment of the 2022D Junior Subordinate Bonds, District No. 2 has entered into a Junior Subordinate Capital Pledge Agreement, dated as of April 1, 2022, with District No. 3 and the Trustee pursuant to which District No. 3 is obligated to impose ad valorem property taxes in an amount equal to the “Junior Subordinate Required Mill Levy” (as defined therein) and pay the proceeds thereof to the trustee for payment of the obligations specified therein, or as otherwise directed by District No. 2; and

WHEREAS, all Developer Obligations will be paid in full upon District No. 2’s issuance of its Series 2022 Bonds, and District No. 1 does not intend to enter into any Future Obligations thereafter; and

WHEREAS, in connection with the execution and delivery of the Series 2018 Bonds, the Districts entered into the Operations IGA to amend and restate the terms of the 2016 District IGA related to the repayment of the Developer Obligations, including the repayment of the Development Obligations with proceeds from the Series 2018 Bonds, and the rights and responsibilities with respect to District operations and the funding of costs related thereto, including the capital costs of Public Improvements; and

WHEREAS, in connection with the execution and delivery of the Series 2022 Bonds, the Districts desire to amend the Operations IGA pursuant to this First Amendment related to the repayment of the Development Obligations and funding of capital costs of Public Improvements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts hereby agree to amend the Operations IGA as follows:

1. Funding of Additional Capital Costs. The Districts hereby amend and restate Paragraph 1 of the Operations IGA in its entirety as follows:

**Funding of Additional Capital Costs.** The Districts acknowledge that the Service Plan anticipates that the Districts will cooperate to provide for Public Improvements necessary to serve the development within their common service area. In furtherance of the Districts’ Service Plan and as of the date of the First Amendment, the Taxing Districts acknowledge that District No. 1 has incurred certain Existing Developer Obligations associated with the construction and

installation of Public Improvements for the benefit of the Taxing Districts, a portion of which were refunded from the proceeds of the Series 2022C Bonds. The Taxing Districts further acknowledge and agree that District No. 1 will incur specific Future Obligations (the “Specific Future Obligation”) associated with the construction and installation of the remaining Public Improvements, as set forth in Exhibit A attached hereto and incorporated by reference (the “Final Public Improvements”) by District No. 1, and that proceeds from the Series 2022D Bonds were used to pay and discharge all remaining Developer Obligations, including the Specific Future Obligations. To the extent additional Public Improvements are needed or desired in the future, the Districts may, each in their own sole discretion, determine to provide for the financing and construction of the Public Improvements in such manner as may be deemed most efficient and effective to implement the objectives of the Service Plan, subject to any limitations set forth in the Service Plan.

2. Outstanding Capital Costs. The Districts hereby amend and restate Paragraph 5 of the Operations IGA in its entirety as follows:

**Outstanding Capital Costs.** The Districts hereby acknowledge and agree that, upon the payment and discharge of all Developer Obligations, including the Specific Future Obligations, with proceeds from the Series 2022 Bonds, no Developer Obligations shall remain outstanding and the Taxing Districts will have no further repayment obligations due and owing on the Developer Obligations. Furthermore, after the date of this First Amendment, District No. 1 shall not enter into any Future Obligations without the consent of both of the Taxing Districts.

3. Governing Law. This Amendment shall be governed and construed in accordance with the laws of the State of Colorado.

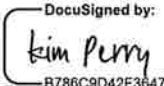
4. Severability. If any covenant, term, condition, or provision under this Amendment shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5. Integration. Except as otherwise provided herein, the terms and conditions of the Operations IGA remain in full force and effect. The Operations IGA and this Amendment contain the entire agreement between and among the Districts regarding the subject matter hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in the Operations IGA or this Amendment or separate written instrument shall be valid or binding.

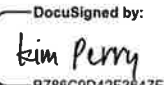
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IN WITNESS WHEREOF, the Districts have executed this Amendment to be effective on the date first above written.

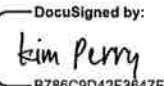
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1

DocuSigned by:  
  
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By: Kim L. Perry, President

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2

DocuSigned by:  
  
B786C9D42F3647F...  
By: Kim L. Perry, President

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3

DocuSigned by:  
  
B786C9D42F3647F...  
By: Kim L. Perry, President

**EXHIBIT A**

**FINAL PUBLIC IMPROVEMENTS**

Phase 6A – MNW 11<sup>th</sup> Subdivision - Landscaping  
Phase 6B - MNW 12<sup>th</sup> Subdivision - Landscaping  
Phase 6C - MNW 5<sup>th</sup> Subdivision - Landscaping  
Phase 7 - MNW 13<sup>th</sup> Subdivision –Landscaping  
Phase 8 - MNW 17<sup>th</sup> Subdivision –Landscaping  
Phase 9 - MNW 18<sup>th</sup> Subdivision –Landscaping, Signage  
Phase 10 - MNW 19<sup>th</sup> Subdivision - Landscaping  
Explorer Park – North - Landscaping and recreational amenities

**EXHIBIT B**

**2023 ADOPTED BUDGETS**

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2023



STATE OF COLORADO            )  
   )  
 COUNTY OF LARIMER            )ss.  
   )  
 THE LAKES AT CENTERRA        )  
 METROPOLITAN                    )  
 DISTRICT NO. 1                    )

The Board of Directors of The Lakes at Centerra Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, October 27, 2022 at 12:00 P.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson  
 Tim DePeder, Vice President/Asst. Secretary  
 Josh Kane, Secretary/Treasurer  
 Abby Kirkbride, Asst. Secretary  
 Samantha Salazar, Asst. Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Videoconference)  
 Brendan Campbell, Irene Buenavista, Andrew Kunkel, Jennifer Ondracek, Kirsten Starman, Dillon Gamber, Nic Ortiz, and Bryan Newby; Pinnacle Consulting Group, Inc. (Via Videoconference)

Jim Niemczyk, Jeff Breidenbach, and Griffin Barlow; McWhinney (Via Videoconference)

Gary Dreith, Todd Carnes, Ralph Mathes, James Laferriere, and Karl Sutton; Members of the Public (Via Videoconference)

Mr. Pogue stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Lakes at Centerra Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 7, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 27, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Lakes at Centerra Metropolitan District No. 1 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$0. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$2,465.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of Page Left Blank Intentionally.]**

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Larimer County, Colorado.

On behalf of the The Lakes at Centerra Metropolitan District No. 1,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>


of the The Lakes at Centerra Metropolitan District No. 1  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,465 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be \$ 2,465 calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ <u>0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>0.000</u> mills</b>	<b>\$ <u>0.00</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>0.000</u> mills</b>	<b>\$ <u>0.00</u></b>

Contact person: Brendan Campbell Daytime phone: (970) 669-3611  
(print)  
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Kane, Secretary and Treasurer of the District, and made a part of the public records of The Lakes at Centerra Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Salazar.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 27th day of October 2022.

DocuSigned by:  
  
\_\_\_\_\_  
President B786C9D42F3647F...

STATE OF COLORADO )  
 )  
COUNTY OF LARIMER )ss.  
 )  
THE LAKES AT CENTERRA )  
METROPOLITAN )  
DISTRICT NO. 1 )

I, Josh Kane, Secretary and Treasurer to the Board of Directors of The Lakes at Centerra Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, October 27, 2022, at 12:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 27th day of October, 2022.

DocuSigned by:

*Josh Kane*

FCDC7E37AAA642A...



## Management Budget Report

BOARD OF DIRECTORS  
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "B. J. [unclear]", is written over the page.

Pinnacle Consulting Group, Inc.  
January 31, 2023



THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Service Fees District #2	\$ 233,226	\$ 237,941	\$ 238,041	\$ 254,252
Service Fees District #3	85,181	134,789	135,289	195,349
Interest and Other Income	69	17	800	-
<b>Total Revenues</b>	<b>\$ 318,475</b>	<b>\$ 372,747</b>	<b>\$ 374,130</b>	<b>\$ 449,601</b>
<b>Expenditures</b>				
Operations & Maintenance:				
Payment to HOA	\$ 50,000	\$ 77,000	\$ 77,000	\$ 84,700
Landscaping	-	-	-	1,500
Storm Water Facility Maintenance	8,170	11,000	11,000	14,000
Non-Potable Pump Maintenance	-	-	-	30,000
Amenities Maintenance	-	2,000	15,623	8,000
District Facilities Management	8,400	12,480	12,480	13,500
Administration:				
Accounting	47,280	51,250	51,250	53,000
Audit	11,000	11,000	11,000	12,000
District Management and Admin	56,400	66,040	66,040	69,500
Director's Fees	3,173	4,200	4,200	8,000
Election	25	25,000	5,071	25,000
District Engineer and Consulting Services	8,219	10,000	10,000	10,000
Insurance	10,763	11,839	10,464	12,000
Legal	52,449	60,000	60,000	66,000
Office and Other	14,432	7,000	7,000	7,650
Contingency	-	10,000	-	10,000
<b>Total Operating Expenditures</b>	<b>\$ 270,310</b>	<b>\$ 358,809</b>	<b>\$ 341,128</b>	<b>\$ 424,850</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ 48,165</b>	<b>\$ 13,938</b>	<b>\$ 33,002</b>	<b>\$ 24,751</b>
<b>Beginning Fund Balance</b>	<b>\$ 142,590</b>	<b>\$ 119,208</b>	<b>\$ 190,755</b>	<b>\$ 223,757</b>
<b>Ending Fund Balance</b>	<b>\$ 190,755</b>	<b>\$ 133,146</b>	<b>\$ 223,757</b>	<b>\$ 248,508</b>
<b>Components of Ending Fund Balance</b>				
Repairs and Maintenance Reserve				
Beginning	\$ 40,210	\$ 74,523	\$ 74,523	\$ 109,523
Addition	34,313	35,000	35,000	40,000
Less: Expense	-	-	-	-
Ending	\$ 74,523	\$ 109,523	\$ 109,523	\$ 149,523
Operating Reserve	57,688	58,595	85,000	85,000
TABOR Reserve	9,554	9,535	9,535	13,488
Unreserved	48,990	-	19,699	497
<b>Total Ending Fund Balance</b>	<b>\$ 190,755</b>	<b>\$ 177,653</b>	<b>\$ 223,757</b>	<b>\$ 248,508</b>
<b>Mill Levy</b>				
Operating	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
<b>Total Mill Levy</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Assessed Value</b>	<b>\$ 4,408</b>	<b>\$ 2,465</b>	<b>\$ 2,465</b>	<b>\$ 2,465</b>
<b>Property Tax Revenue</b>				
Operating	-	-	-	-
Debt Service	-	-	-	-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Modified Accrual Budgetary Basis

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Capital Advance	\$ 2,331,708	\$ 2,888,932	\$ 349,358	\$ 1,806,414
Contribution from Other Government	1,062,031	6,326	6,326	-
Transfer from District #2	-	16,316,276	16,316,276	-
<b>Total Revenues</b>	<b>\$ 3,393,739</b>	<b>\$ 19,211,534</b>	<b>\$ 16,671,960</b>	<b>\$ 1,806,414</b>
<b>Expenditures</b>				
District Management	\$ 14,040	\$ 20,000	\$ 25,000	\$ 25,000
District Planning/Engineering Mgmt	1,903	5,000	2,000	5,000
District Engineering	-	5,000	-	15,000
Lakes Residential - PH6A	9,305	-	-	-
Lakes Residential - PH6B	2,580	-	600	-
Lakes Residential - PH7	141,755	61,516	77,246	20,191
Lakes Residential - PH6C	328,489	9,823	7,273	7,900
Lakes Residential - PH8	16,785	31,954	4,500	21,541
Lakes Residential - PH9	1,775,794	419,454	34,027	359,421
Lakes Residential - PH10	621,359	16,434	10,287	14,833
Explorer Park	94,703	2,294,751	194,751	2,100,000
Developer Advance Repayment	-	16,316,276	16,316,276	-
Contingency	-	25,000	-	-
<b>Total Capital Project Expenditures</b>	<b>\$ 3,006,713</b>	<b>\$ 19,205,208</b>	<b>\$ 16,671,960</b>	<b>\$ 2,568,886</b>
<b>Revenues over/(under) Expenditures</b>	<b>\$ 387,026</b>	<b>\$ 6,326</b>	<b>\$ -</b>	<b>\$ (762,472)</b>
<b>Beginning Fund Balance</b>	<b>\$ 375,446</b>	<b>\$ 762,468</b>	<b>\$ 762,472</b>	<b>\$ 762,472</b>
<b>Ending Fund Balance</b>	<b>\$ 762,472</b>	<b>\$ 768,794</b>	<b>\$ 762,472</b>	<b>\$ -</b>

**THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET MESSAGE**

The Lakes at Centerra Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in November 2007. The District was established for approximately 226 acres located south of East 37<sup>th</sup> Street, east of Boyd Lake Avenue and north of Lost Creek Drive in the City of Loveland, Colorado. Along with its companion Districts No. 2 and No. 3, (“Finance Districts”), this “Service District” was organized to initially own, operate and construct public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security and covenant enforcement services.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- Provide services as desired by the property owners and residents of the Multiple Districts in the most economic manner possible.

**General Fund**

*Revenue*

Budgeted revenues total \$449,601 and are primarily services fees from Districts No. 2 and No. 3. The District certified 0.000 mills on an assessed value of \$2,465 for \$0 in property tax revenue.

*Expenses*

Budgeted expenses total \$424,850. Increases in the 2023 budget are primarily due to anticipated increases in operations and maintenance.

*Fund Balance/Reserves*

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR and holds the TABOR reserve for District Nos. 1-3. Ending fund balance is budgeted to be \$248,482 for fiscal year 2023.

## **Capital Projects Fund**

### *Revenue*

Capital advances and contributions from other governments are budgeted to be \$1,806,414 for fiscal year 2023 to fund capital project expenses.

### *Expenses*

Capital expenses are budgeted to be \$2,568,886 in 2023 for design and construction of public infrastructure.

### *Fund Balance/Reserves*

The capital projects ending fund balance is budgeted to be \$0 for fiscal year 2023.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 182 - THE LAKES AT CENTERRA METRO DISTRICT NO. 1

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$2,465
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$2,465
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$2,465
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND ( 29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$8,500
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2023

STATE OF COLORADO            )  
   )  
 COUNTY OF LARIMER            )ss.  
   )  
 THE LAKES AT CENTERRA        )  
 METROPOLITAN                    )  
 DISTRICT NO. 2                    )

The Board of Directors of The Lakes at Centerra Metropolitan District No. 2, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, October 27, 2022 at 12:00 P.M.

The following members of the Board of Directors were present: (Via Teleconference)

- Gary Dreith, President
- Ralph Mathes, Vice President
- James Laferriere, Secretary/Treasurer
- Josh Kane, Asst. Secretary
- Todd Carnes, Asst. Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Videoconference)  
 Brendan Campbell, Irene Buenavista, Andrew Kunkel, Jennifer Ondracek, Kirsten Starman, Dillon Gamber, Nic Ortiz, and Bryan Newby; Pinnacle Consulting Group, Inc. (Via Videoconference)  
 Jim Niemczyk, Jeff Breidenbach, Tim DePeder, Kim Perry, Abby Kirkbride, Samantha Salazar, and Griffin Barlow; McWhinney (Via Videoconference)  
 Karl Sutton; Members of the Public (Via Videoconference)

Mr. Pogue stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Dreith opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Laferriere moved to adopt the following Resolution:

## RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Lakes at Centerra Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 7, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 27, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Lakes at Centerra Metropolitan District No. 2 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$1,124,682.63. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$14,155,498.



A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest approved at elections of the District during the 2023 budget year, there is hereby levied a tax of 62.427 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

C. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 17.025 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 79.452 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of Page Left Blank Intentionally.]**

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Larimer County, Colorado.

On behalf of the The Lakes at Centerra Metropolitan District No. 2 (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the The Lakes at Centerra Metropolitan District No. 2 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 14,155,498 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 14,155,498 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023 (not later than Dec. 15) (mm/dd/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY<sup>2</sup>, and REVENUE<sup>2</sup>. Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 79.452 mills, \$ 1,124,682.63

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611 Signed: [Signature] Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution. <sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.)** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | Repay The Lakes at Centerra Metropolitan District No. 2's Series 2022C & 2022D General Obligation Bond issue to fund infrastructure improvements. |
|    | Series:           | 2022C & 2022D   |
|    | Date of Issue:    | 04/26/2022  |
|    | Coupon Rate:      | 7.50%   |
|    | Maturity Date:    | 12/15/2052  |
|    | Levy:             | 62.427  |
|    | Revenue:          | \$883,685.27  |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

**CONTRACTS<sup>K</sup>:**

- |    |                      |   |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund the operations and maintenance of The Lakes at Centerra Metropolitan District's infrastructure improvements |
|    | Title:               | Amended and Restated District Facilities Services Agreement   |
|    | Date:                | 7/11/2013   |
|    | Principal Amount:    | _____   |
|    | Maturity Date:       | _____   |
|    | Levy:                | 17.025  |
|    | Revenue:             | \$240,997.35  |
|    |                      |   |
| 4. | Purpose of Contract: | _____   |
|    | Title:               | _____   |
|    | Date:                | _____   |
|    | Principal Amount:    | _____   |
|    | Maturity Date:       | _____   |
|    | Levy:                | _____   |
|    | Revenue:             | _____   |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Laferriere, Secretary and Treasurer of the District, and made a part of the public records of The Lakes at Centerra Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Mathes.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 27th day of October 2022.

DocuSigned by:  
*Gary Dreith*  
\_\_\_\_\_  
President

STATE OF COLORADO            )  
  )  
COUNTY OF LARIMER         )ss.  
  )  
THE LAKES AT CENTERRA     )  
METROPOLITAN                )  
DISTRICT NO. 2                )

I, James Laferriere, Secretary and Treasurer to the Board of Directors of The Lakes at Centerra Metropolitan District No. 2, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, October 27, 2022, at 12:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 27th day of October, 2022.

DocuSigned by:  
*James Laferriere*  
\_\_\_\_\_

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## Management Budget Report

BOARD OF DIRECTORS  
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "BS" followed by several horizontal strokes.

Pinnacle Consulting Group, Inc.  
January 31, 2023

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Property Taxes	\$ 220,722	\$ 225,537	\$ 225,537	\$ 240,997
Specific Ownership Taxes	16,780	16,915	16,915	18,075
Interest & Other Income	141	5,000	100	5,000
<b>Total Revenues</b>	<b>\$ 237,643</b>	<b>\$ 247,452</b>	<b>\$ 242,552</b>	<b>\$ 264,072</b>
<b>Expenditures</b>				
Payment for Services to District #1	\$ 233,226	\$ 237,941	\$ 238,041	\$ 254,252
Treasurer's Fees	4,418	4,511	4,511	4,820
Contingency	-	5,000	-	5,000
<b>Total Operating Expenditures</b>	<b>\$ 237,643</b>	<b>\$ 247,452</b>	<b>\$ 242,552</b>	<b>\$ 264,072</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>				
Operating	16.656	16.716	16.716	17.025
Debt Service	61.074	61.293	61.293	62.427
<b>Total Mill Levy</b>	<b>77.730</b>	<b>78.009</b>	<b>78.009</b>	<b>79.452</b>
<b>Assessed Value</b>	<b>\$ 13,252,378</b>	<b>\$ 13,492,295</b>	<b>\$ 13,492,295</b>	<b>\$ 14,155,498</b>
<b>Property Tax Revenue</b>				
Operating	220,732	225,537	225,537	240,997
Debt Service	809,376	826,983	826,983	883,685
<b>Total Property Tax Revenue</b>	<b>\$ 1,030,107</b>	<b>\$ 1,052,520</b>	<b>\$ 1,052,520</b>	<b>\$ 1,124,683</b>



THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ 809,340	\$ 826,983	\$ 826,983	\$ 883,685
Specific Ownership Taxes	61,530	62,024	62,024	66,276
Service Fees: District No. 3	312,323	494,228	494,228	716,279
Interest & Other Income	1,584	7,000	7,000	10,000
<b>Total Revenues</b>	<b>\$ 1,184,776</b>	<b>\$ 1,390,235</b>	<b>\$ 1,390,235</b>	<b>\$ 1,676,241</b>
<b>Expenditures</b>				
Bond Interest	\$ 1,502,350	\$ 1,502,350	\$ 1,502,350	\$ 1,502,350
Bond Principal	-	-	-	175,000
Trustee Fees	6,000	6,000	6,000	6,000
Treasurer's Fees	16,199	16,540	16,540	17,674
Contingency	-	10,000	10,000	10,000
<b>Total Expenditures</b>	<b>\$ 1,524,549</b>	<b>\$ 1,534,890</b>	<b>\$ 1,534,890</b>	<b>\$ 1,711,024</b>
<b>Revenues over/(under) Expenditures</b>	<b>\$ (339,773)</b>	<b>\$ (144,655)</b>	<b>\$ (144,655)</b>	<b>\$ (34,783)</b>
<b>Other Sources/(Uses) of Funds:</b>				
Bond Proceeds	\$ -	\$ 16,316,276	\$ 16,316,276	\$ -
Loan Issuance Costs	-	(512,563)	(551,685)	-
Transfer to District No. 1	(45)	(16,316,276)	(16,316,276)	-
Developer Contributions	-	528,486	528,486	-
<b>Net Other Sources/(Uses) of Funds</b>	<b>\$ (45)</b>	<b>\$ 15,923</b>	<b>\$ (23,199)</b>	<b>\$ -</b>
<b>Rev Over/(Under) Exp after Other</b>	<b>\$ (339,817)</b>	<b>\$ (128,732)</b>	<b>\$ (167,854)</b>	<b>\$ (34,783)</b>
<b>Beginning Fund Balance</b>	<b>\$ 2,745,600</b>	<b>\$ 2,405,783</b>	<b>\$ 2,405,783</b>	<b>\$ 2,277,051</b>
<b>Ending Fund Balance</b>	<b>\$ 2,405,783</b>	<b>\$ 2,277,051</b>	<b>\$ 2,237,929</b>	<b>\$ 2,242,268</b>
<b>Components of Ending Fund Balance</b>				
Reserve Requirement	\$ 2,390,713	\$ 2,277,051	\$ 2,237,929	\$ 2,242,268
Surplus	15,070	-	-	-
<b>Total</b>	<b>\$ 2,405,783</b>	<b>\$ 2,277,051</b>	<b>\$ 2,237,929</b>	<b>\$ 2,242,268</b>

## **THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2 2023 BUDGET MESSAGE**

The Lakes at Centerra Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in November 2007. The District was established for approximately 226 acres located south of East 37th Street, east of Boyd Lake Avenue and north of Lost Creek Drive in the City of Loveland, Colorado. Along with its companion Districts No. 1 (“Service District”) and No. 3 (“Finance District”), this Finance District was organized to provide financing for public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security and covenant enforcement services.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- To collect appropriate property taxes for distribution to the Service District in order to provide the level of services desired by the property owners of the District in the most economic manner possible.

### **General Fund**

#### *Revenue*

The District anticipates collecting \$240,997 in property taxes, based on an assessed valuation of \$14,155,498 and a mill levy of 17.025 mills. Additionally, the District anticipates revenues of \$18,075 in specific ownership taxes and \$5,000 in interest and other revenues, for a total of \$264,072 in revenue.

#### *Expenses*

General and administrative expenses budgeted in the amount of \$264,072 are comprised of payment for services to The Lakes at Centerra Metropolitan District No. 1, treasurer fees and contingency.

#### *Fund Balance/Reserves*

The District transfers all general fund revenue to the Lakes at Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between the Lakes at Centerra Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in the Lakes at Centerra Metropolitan District No. 2. The emergency reserve is held by the Lakes at Centerra Metropolitan District No. 1.

## **Debt Service Fund**

### *Revenue*

The District anticipates collecting \$883,685 in property taxes, based on an assessed valuation of \$14,155,498 and a mill levy of 62.427 mills. Additionally, the District anticipates revenues of \$66,276 in specific ownership taxes, \$716,279 of service fees receivable from District 3 and \$10,000 in interest and other revenues, totaling \$1,646,105 in revenue.

### *Expenses*

The District will incur a total of \$1,711,024 of debt service expenses for bond interest payments of \$1,502,350, bond principal payments of \$175,000 and other fees including custodial, bank and treasurer fees of \$33,674. The District anticipates use of debt reserves to make 2023 debt service payments.

### *Fund Balance/Reserves*

The District anticipates an ending fund balance for the debt service fund of \$2,173,010.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 183 - THE LAKES AT CENTERRA METRO DISTRICT NO. 2

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13,492,295
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$14,155,498
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$14,155,498
5. NEW CONSTRUCTION: **	\$181,261
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$45.86

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$192,268,000
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$2,607,600
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

### DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

† Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
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\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2023

STATE OF COLORADO )  
 )  
COUNTY OF LARIMER )ss.  
 )  
THE LAKES AT CENTERRA )  
METROPOLITAN )  
DISTRICT NO. 3 )

The Board of Directors of The Lakes at Centerra Metropolitan District No. 3, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, October 27, 2022 at 12:00 P.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson  
Tim DePeder, Vice President/Asst. Secretary  
Josh Kane, Secretary/Treasurer  
Abby Kirkbride, Asst. Secretary  
Karl Sutton, Asst. Treasurer

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Videoconference)  
Brendan Campbell, Irene Buenavista, Andrew Kunkel, Jennifer Ondracek, Kirsten Starman, Dillon Gamber, Nic Ortiz, and Bryan Newby; Pinnacle Consulting Group, Inc. (Via Videoconference)  
Jim Niemczyk, Jeff Breidenbach, Samantha Salazar, and Griffin Barlow; McWhinney (Via Videoconference)  
Gary Dreith, Todd Carnes, Ralph Mathes, and James Laferriere; Members of the Public (Via Videoconference)

Mr. Pogue stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Sutton moved to adopt the following Resolution:

## RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Lakes at Centerra Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 7, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 27, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Lakes at Centerra Metropolitan District No. 3 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$864,102.36. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$10,953,256.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest approved at elections of the District during the 2023 budget year, there is hereby levied a tax of 61.985 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

C. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 16.905 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 78.890 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of Page Left Blank Intentionally.]**



## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Larimer County, Colorado.

On behalf of the The Lakes at Centerra Metropolitan District No. 3,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the The Lakes at Centerra Metropolitan District No. 3  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 10,953,256 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 10,953,256 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/14/2022 for budget/fiscal year 2023.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	[ ] mills	\$ [ ]
3. General Obligation Bonds and Interest <sup>J</sup>	61.985 mills	\$ 678,937.57
4. Contractual Obligations <sup>K</sup>	16.905 mills	\$ 185,164.79
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>78.890</b> mills	<b>\$ 864,102.36</b>

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611  
Signed:  Title: District Accountant

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>j</sup>:**

1. Purpose of Issue: Repay The Lakes at Centerra Metropolitan District No. 2's Series 2022C & 2022D General Obligation Bond issue to fund infrastructure improvements.  
Series: 2022C & 2022D  
Date of Issue: 05/02/2022  
Coupon Rate: 0%  
Maturity Date: 12/15/2056  
Levy: 61.985  
Revenue: \$678,937.57
  
2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>k</sup>:**

3. Purpose of Contract: To fund the operations and maintenance for The Lakes at Centerra Metropolitan Districts  
Title: Amended and Restated District Facilities Services Agreement  
Date: 7/11/2013  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: 16.905  
Revenue: \$185,164.79
  
4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

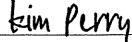
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Kane, Secretary and Treasurer of the District, and made a part of the public records of The Lakes at Centerra Metropolitan District No. 3.

The foregoing Resolution was seconded by Director Kane.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 27th day of October 2022.

DocuSigned by:  
  
\_\_\_\_\_  
President 0786C9D42F3647F...

STATE OF COLORADO )  
 )  
COUNTY OF LARIMER )ss.  
 )  
THE LAKES AT CENTERRA )  
METROPOLITAN )  
DISTRICT NO. 3 )

I, Josh Kane, Secretary and Treasurer to the Board of Directors of The Lakes at Centerra Metropolitan District No. 3, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, October 27, 2022, at 12:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 27th day of October, 2022.

DocuSigned by:  
*Josh Kane*  
FCDC7E37AAA642A...



## Management Budget Report

BOARD OF DIRECTORS  
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "J. G. [unclear]", is written over a faint, light blue horizontal line.

Pinnacle Consulting Group, Inc.  
January 31, 2023

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(d)	(f)
	2021	2022	2022	Actual	2023
	Unaudited	Adopted	Projected	Through	Adopted
	Actual	Budget	Actual	9/30/2022	Budget
<b>Revenues</b>					
Property Taxes	\$ 80,606	\$ 127,762	\$ 127,762	\$ 128,311	\$ 185,165
Specific Ownership Taxes	6,145	9,582	9,582	6,924	13,887
Interest & Other Income	43	5,000	500	102	5,000
<b>Total Revenues</b>	<b>\$ 86,794</b>	<b>\$ 142,344</b>	<b>\$ 137,844</b>	<b>\$ 135,337</b>	<b>\$ 204,052</b>
<b>Expenditures</b>					
Payment for Services to District #1	\$ 85,181	\$ 134,789	\$ 135,289	\$ 132,769	\$ 195,349
Treasurer's Fees	1,613	2,555	2,555	2,568	3,703
Contingency	-	5,000	-	-	5,000
<b>Total Operating Expenditures</b>	<b>\$ 86,794</b>	<b>\$ 142,344</b>	<b>\$ 137,844</b>	<b>\$ 135,337</b>	<b>\$ 204,052</b>
<b>Revenues Over/(Under) Expend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>					
Operating	15.926	16.230	16.230	16.230	16.905
Debt Service	58.394	59.510	59.510	59.510	61.985
<b>Total Mill Levy</b>	<b>74.320</b>	<b>75.740</b>	<b>75.740</b>	<b>75.740</b>	<b>78.890</b>
<b>Assessed Value</b>	<b>\$ 5,026,378</b>	<b>\$ 7,871,991</b>	<b>\$ 7,871,991</b>	<b>\$ 7,871,991</b>	<b>\$ 10,953,256</b>
<b>Property Tax Revenue</b>					
Operating	80,050	127,762	127,762	127,762	185,165
Debt Service	293,510	468,462	468,462	468,462	678,938
<b>Total Property Tax Revenue</b>	<b>\$ 373,560</b>	<b>\$ 596,225</b>	<b>\$ 596,225</b>	<b>\$ 596,225</b>	<b>\$ 864,102</b>

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(d)	(f)
	2021	2022	2022	Actual	2023
	Unaudited	Adopted	Projected	Through	Adopted
	Actual	Budget	Actual	9/30/2022	Budget
<b>Revenues</b>					
Property Taxes	\$ 295,548	\$ 468,462	\$ 468,462	\$ 470,474	\$ 678,938
Specific Ownership Taxes	22,532	35,135	35,135	25,387	50,920
Interest & Other Income	157	10,000	500	375	10,000
<b>Total Revenues</b>	<b>\$ 318,237</b>	<b>\$ 513,597</b>	<b>\$ 504,097</b>	<b>\$ 496,235</b>	<b>\$ 739,858</b>
<b>Expenditures</b>					
Payment for Services to District #2	\$ 312,323	\$ 494,228	\$ 494,728	\$ 486,818	\$ 716,279
Treasurer's fees	5,914	9,369	9,369	9,417	13,579
Contingency	-	10,000	-	-	10,000
<b>Total Expenditures</b>	<b>\$ 318,237</b>	<b>\$ 513,597</b>	<b>\$ 504,097</b>	<b>\$ 496,235</b>	<b>\$ 739,858</b>
<b>Revenues Over/(Under) Expend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 3  
2023 BUDGET MESSAGE**

The Lakes at Centerra Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in November 2007. The District was established for approximately 226 acres located south of East 37<sup>th</sup> Street, east of Boyd Lake Avenue and north of Lost Creek Drive in the City of Loveland, Colorado. Along with its companion Districts No. 1 (“Service District”) and No. 2 (“Finance District”), this Finance District was organized to provide financing for public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security and covenant enforcement services.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- To collect appropriate property taxes for distribution to the Service District in order to provide the level of services desired by the property owners of the District in the most economic manner possible.

**General Fund**

*Revenue*

The District will collect \$185,165 in property taxes, based on an assessed valuation of \$10,953,256 and a mill levy of 16.905 mills. Collection of approximately \$13,887 in specific ownership tax revenue is also expected, along with \$5,000 in interest and other revenues, providing a total of \$204,052 in revenue for fiscal year 2023.

*Expenses*

General and administrative expenses budgeted in the amount of \$204,052 are payment for services to The Lakes at Centerra Metropolitan District No. 1 and treasurer fees.

*Fund Balance/Reserves*

The District transfers all general fund revenue received to the Lakes at Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between the Lakes at Centerra Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in the Lakes at Centerra Metropolitan District No. 3. The emergency reserve is held by The Lakes at Centerra Metropolitan District No. 1.

## **Debt Service Fund**

### *Revenue*

The District will collect \$678,938 in property taxes, based on an assessed valuation of \$10,953,256 and a mill levy of 61.985 mills. Collection of approximately \$50,920 in specific ownership tax revenue is also expected, along with \$10,000 in interest and other revenues, providing a total of \$739,858 in revenue for fiscal year 2023.

### *Expenses*

Debt service expenses budgeted in the amount of \$739,858 are payment for services to The Lakes at Centerra Metropolitan District No. 2 and treasurer fees.

### *Fund Balance/Reserves*

The District transfers all debt service revenue received to the Lakes at Centerra Metropolitan District No. 2 as provided for in an intergovernmental agreement between the Lakes at Centerra Metropolitan District Nos. 1-3.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 184 - THE LAKES AT CENTERRA METRO DISTRICT NO. 3

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,871,991
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$10,953,256
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10,953,256
5. NEW CONSTRUCTION: **	\$3,158,458
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$142,242,170
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$45,433,600
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

**DELETIONS FROM TAXABLE REAL PROPERTY:**

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

† Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$8,541
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\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

**EXHIBIT C**

**RESOLUTIONS APPROVING 2022C AND 2022C BONDS**

STATE OF COLORADO )  
 )  
 LARIMER COUNTY ) ss  
 )  
 THE LAKES AT CENTERRA )  
 METROPOLITAN DISTRICT NO. 2 )

I, the Secretary of The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “District”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “Resolution”) adopted by the Board of Directors (the “Board”) of The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “District”) at a special meeting held at 3:30 p.m. on Thursday, March 24, 2022, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, and via Microsoft Teams by dialing: [+1 720-721-3140, 317752494#](tel:+17207213140) .

2. Notice of such meeting was posted in a designated public place within the boundaries of the District no less than twenty-four (24) hours prior to the meeting, in accordance with law.

3. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

<b>Board Member</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstaining</b>
Kim Perry, President and Chairperson	X			
Gary Dreith, Vice President/Asst. Secretary	X			
Josh Kane, Secretary/Treasurer	X			
Wendy Messinger, Asst. Treasurer	X			
Ralph Mathes, Asst. Secretary	X			

4. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District's seal, attested by the Secretary of the District and recorded in the minutes of the Board.

5. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 24<sup>th</sup> day of March, 2022



By \_\_\_\_\_  
Secretary

A handwritten signature in blue ink is written over the horizontal line of the signature line.

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## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2, IN LARIMER COUNTY, COLORADO, OF ITS TAXABLE JUNIOR SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2022D, FOR THE PURPOSE OF PAYING THE COSTS OF FINANCING OR REFINANCING CERTAIN PUBLIC IMPROVEMENTS AND COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (JUNIOR SUBORDINATE) AND JUNIOR SUBORDINATE CAPITAL PLEDGE AGREEMENT; AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

**WHEREAS**, The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “**District**”) is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

**WHEREAS**, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to provide certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Districts (defined herein), in accordance with the Consolidated Service Plan for the District, The Lakes at Centerra Metropolitan District No. 1 (“**District No. 1**”) and The Lakes at Centerra Metropolitan District No. 3 (“**District No. 3**” and, together with the District and District No. 1, the “**Districts**”) approved by the City Council for the City of Loveland, Colorado (the “**City**”) on September 4, 2007 (as amended and restated from time to time, the “**Service Plan**”); and

**WHEREAS**, at a special election of the qualified electors of the District, duly called and held on Tuesday, November 6, 2007 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain public improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, the questions relating thereto being as set forth on Exhibit C to the Junior Subordinate Indenture (as defined herein); and

**WHEREAS**, the returns of the Election were duly canvassed and the results thereof duly declared; and

**WHEREAS**, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S. within forty-five days after the Election, and with the division of securities created by Section 11-51-701, C.R.S.; and

**WHEREAS**, the Board of the District has previously determined that it was necessary to acquire, construct, and install a portion of the Facilities; and



**WHEREAS**, in furtherance of the Service Plan and for the purpose of coordinating the financing, construction, ownership, operation and maintenance of Facilities, which Facilities are necessary to support development within such Districts, District No. 1 has previously entered into the following agreements (the “**Advance and Reimbursement Agreements**”) with C R Development, Inc., a Colorado corporation (“**CRD**”), and issued the following notes (District No. 1’s obligations thereunder collectively referred to herein as the “**Developer Obligations**”): (i) a 2017 Advance and Reimbursement Agreement, dated June 1, 2017, as amended by that First Amendment to 2017 Advance and Reimbursement Agreement, dated November 20, 2018, with District No. 1’s payment obligations thereunder being further evidenced by a promissory note issued to CRD (the “**2017 Note**”); (ii) a 2019 Advance and Reimbursement Agreement, dated January 1, 2019 with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory note issued to CRD (the “**2019 Note**”) which 2019 Note refunded the 2017 Note; (iii) a 2020 Advance and Reimbursement Agreement, dated January 1, 2020 with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory issued to CRD (the “**2020 Note**”), which 2020 Note refunded the 2019 Note; (iv) a 2021 Advance and Reimbursement Agreement, dated January 1, 2021, as amended by a First Amendment thereto dated December 31, 2021, which agreement superseded all prior agreements between District No. 1 and CRD with respect to advance and reimbursements, with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory note (the “**2021 Note**”), which 2021 Note was refunded by a subordinate promissory note dated January 1, 2022; and

**WHEREAS**, for the purpose of financing a portion of the Facilities (including paying amounts due or to become due under the Developer Obligations), the Board has previously issued its (i) Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A in the aggregate principal amount of \$29,035,000 (the “**2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of March 1, 2018 (the “**2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”); and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B in the aggregate principal amount of \$4,090,000 (the “**2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of March 1, 2018 (the “**2018B Subordinate Indenture**”, and together with the 2018A Senior Indenture, the “**2018 Indentures**”), by and between the District and the Trustee; and

**WHEREAS**, in connection with the issuance of the 2018A Senior Bonds and the 2018B Subordinate Bonds, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations, dated March 15, 2018, which terminated a prior intergovernmental agreement among the Districts and provided for the payment of Developer Obligations; and

**WHEREAS**, for the purpose of paying and discharging all amounts due under the Advance and Reimbursement Agreements, including the Developer Obligations, the Board of Directors of the District (the “**Board**”) hereby determines to issue its Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D, in the aggregate principal amount of up to \$15,000,000 (the “**Bonds**”); and

**WHEREAS**, in order to provide for the payment of the Bonds and certain other obligations that may be issued by the District in the future, the District intends to enter into a

Junior Subordinate Capital Pledge Agreement (the “**Junior Subordinate Pledge Agreement**”), among the District, District No. 3 and the Trustee, pursuant to which Junior Subordinate Pledge Agreement, District No. 3 will be obligated to impose ad valorem property taxes in an amount equal to the “**Junior Subordinate Required Mill Levy**” (as defined therein) and pay the proceeds thereof to the Trustee, or as otherwise directed by the District; and

**WHEREAS**, the Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Junior Subordinate) (the “**Junior Subordinate Indenture**”) by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), and shall be payable solely from the sources set forth in the Junior Subordinate Indenture, including the Junior Subordinate Pledged Revenue (as defined therein), which includes amounts derived under the Junior Subordinate Pledge Agreement; and

**WHEREAS**, for the purpose of financing an additional portion of the Facilities (including paying amounts due or to become due under the Developer Obligations) on the date of issuance of the Bonds, the Board intends to issue its Junior Lien Limited Tax General Obligation Bonds, Series 2022C, in the aggregate principal amount of \$9,500,000 (the “**2022C Junior Lien Bonds**”), pursuant to an Indenture of Trust (Junior Lien) dated as of April 1, 2022 (the “**2022C Junior Lien Indenture**”), by and between the District and the Trustee; and

**WHEREAS**, the Bonds shall constitute (i) “Junior Lien Obligations” under the 2018 Indentures, and (ii) “Junior Subordinate Obligations” under the 2022C Junior Lien Indenture, and the District shall comply with each of the conditions for the issuance of the Bonds as (x) Junior Lien Obligations set forth in Section 4.04(d) of the 2018 Indentures, and (y) Junior Subordinate Obligations set forth in Section 4.04(e) of the 2022C Junior Lien Indenture; and

**WHEREAS**, the principal amount of the Bonds shall be allocated to the District's electoral authorization, to the extent required, as more particularly provided in the recitals of the Junior Subordinate Indenture; and

**WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

**WHEREAS**, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Junior Subordinate Pledged Revenue; and

**WHEREAS**, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, in accordance with the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Bonds shall be payable from the Junior Subordinate Required Mill Levy imposed for such purpose, which will not exceed 50 mills (without adjustment); and

**WHEREAS**, after consideration, the Board has determined that the issuance of the Bonds to the Developer upon the terms and conditions presented to the Board and to be set forth in the Junior Subordinate Indenture (subject to the limitations set forth herein) is in the best interests of the District, the taxpayers thereof, and the citizens of the County and the State; and

**WHEREAS**, there has been presented to this meeting of the Board substantially final forms of the following (all as defined herein): the Junior Subordinate Indenture and the Junior Subordinate Pledge Agreement; and

**WHEREAS**, the Board desires to authorize the issuance of the Bonds and the execution of the foregoing documents; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, the Junior Subordinate Indenture, and the Junior Subordinate Pledge Agreement, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

**WHEREAS**, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the President of the District to determine certain provisions of the Bonds to be set forth in the Sale Certificate, in accordance with the provisions of this Resolution;

**WHEREAS**, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2, IN LARIMER COUNTY, COLORADO:

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto, the Junior Subordinate Indenture, and the following capitalized terms shall have the respective meanings set forth below:

*“Act”* means the “Special District Act,” being Title 32, Article 1, C.R.S.

*“Bonds”* means the District's Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D, dated their date of delivery.

*“Developer”* means C R Development, Inc., its successors and assigns.

“*Facilities*” means public improvements the debt for which was approved at the Election, including without limitation necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the Junior Subordinate Indenture and the Junior Subordinate Pledge Agreement.

“*Project*” means the payment and discharge of all amounts due under the Advance and Reimbursement Agreements, including the Developer Obligations.

“*Resolution*” means this Resolution which authorizes the issuance of the Bonds.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

**Section 2. Approval and Authorization of Financing Documents.** The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President or Vice President of the District and the Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the District thereto, and the President or Vice President of the District, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the financing of the Project (to the extent of proceeds available therefor), including to authorize the payment of net proceeds of the Bonds after payment of the Underwriter's discount in accordance with the Sale Certificate, for costs of issuance of the Bonds, in addition to the other uses contemplated by the Junior Subordinate Indenture. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization of Bonds.** In accordance with the Constitution of the State of Colorado; the Act; the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of funding costs of the Project and paying costs of issuance of the Bonds, all as further provided in the Junior Subordinate Indenture. The Bonds shall constitute limited tax general obligations of the District as provided in the Junior Subordinate Indenture, secured by the Trust Estates as defined and more particularly provided therein.

**Section 4. Bond Details.** The Bonds shall be issued only as fully registered bonds in the aggregate principal amount of up to \$15,000,000, and dated the date of delivery of the Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Junior Subordinate Indenture. The Bonds shall be issued in Authorized Denominations (as defined in the Junior Subordinate Indenture), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Junior Subordinate Indenture.

**Section 5. Delegation and Parameters.**

(a) In accordance with the Constitution and the laws of the State and the provisions of this Resolution, and for the purposes of defraying the cost of the Project, the Board hereby authorizes to be issued the Bonds in the aggregate principal amount provided in the Junior Subordinate Indenture, subject to the parameters and restrictions set forth below.

(b) Section 11-57-204 of the Supplemental Act provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Bonds.

(c) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to any member of the Board the authority to make the following determinations with respect to the Bonds, subject to the parameters and restrictions set forth in this Section:

(i) the rates of interest on the Bonds;

(ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Bonds subject to mandatory sinking fund redemption and the years in which such Bonds will be subject to such redemption;

(iii) the prices at which the Bonds will be sold;

(iv) the principal amount of the Bonds; and

(v) the dates on which principal and interest shall be paid and the first interest payment date.

(d) Such determinations shall be subject to the following restrictions and parameters:

(i) the maximum net effective interest rate on the Bonds shall not exceed 0.00%;

(ii) the total repayment cost of the Bonds and the maximum annual repayment costs thereof, shall not exceed the total repayment cost and maximum annual tax increase limitations of the Election;

(iii) the placement price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds

(iv) the Bonds shall mature no later than December 15, 2056; and

(v) the aggregate principal amount of the Bonds shall not exceed \$15,000,000; and

(vi) the Bonds shall be redeemable at par, without a redemption premium, on and after the date set forth in the Junior Subordinate Indenture.

**Section 6. Permitted Amendments to Bond Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Junior Subordinate Indenture, as provided in the Junior Subordinate Indenture.

**Section 7. Appointment of District Representatives.** The President of the Board is hereby appointed as a District Representative, as defined in the Junior Subordinate Indenture. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

**Section 8. Disposition and Investment of Proceeds.** The Bonds shall be issued for the purposes aforesaid. No Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Junior Subordinate Indenture, as applicable).

**Section 9. Costs and Expenses.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid by the Developer.

**Section 8. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Junior Subordinate Indenture shall be governed by Section 11-57-208 of the Supplemental Act, this Resolution and the Junior Subordinate Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Junior Subordinate Indenture shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

**Section 10. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

**Section 11. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

**Section 12. Limitation of Actions.** Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of such securities.

**Section 13. Ratification and Approval of Prior Actions.** All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, or the execution of any documents in connection with the Bonds, are hereby ratified, approved, and confirmed.

**Section 14. Resolution Irrepealable.** After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Junior Subordinate Indenture.

**Section 15. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 16. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 17. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.



ADOPTED AND APPROVED this 24<sup>th</sup> day of March, 2022.



THE LAKES AT CENTERRA METROPOLITAN  
DISTRICT NO. 2, IN LARIMER COUNTY,  
COLORADO

A handwritten signature in blue ink, appearing to read "Jim D.", written over a horizontal line.

President

STATE OF COLORADO )  
 )  
 LARIMER COUNTY ) ss  
 )  
 THE LAKES AT CENTERRA )  
 METROPOLITAN DISTRICT NO. 2 )

I, the Secretary of The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “District”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “Resolution”) adopted by the Board of Directors (the “Board”) of The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “District”) at a special meeting held at 3:30 p.m. on Thursday, March 24, 2022, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, and via Microsoft Teams by dialing: [+1 720-721-3140, 317752494#](tel:+17207213140)

2. Notice of such meeting was posted in a designated public place within the boundaries of the District no less than twenty-four (24) hours prior to the meeting, in accordance with law.

3. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

<b>Board Member</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstaining</b>
Kim Perry, President and Chairperson	X			
Gary Dreith, Vice President/Asst. Secretary	X			
Josh Kane, Secretary/Treasurer	X			
Wendy Messinger, Asst. Treasurer	X			
Ralph Mathes, Asst. Secretary	X			

4. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District's seal, attested by the Secretary of the District and recorded in the minutes of the Board.

5. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 24<sup>th</sup> day of March, 2022.



By \_\_\_\_\_  
Secretary

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## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2, IN LARIMER COUNTY, COLORADO, OF ITS JUNIOR LIEN LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2022C, FOR THE PURPOSE OF PAYING THE COSTS OF FINANCING OR REFINANCING CERTAIN PUBLIC IMPROVEMENTS AND COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (JUNIOR LIEN), JUNIOR LIEN CAPITAL PLEDGE AGREEMENT, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENT; AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

**WHEREAS**, The Lakes at Centerra Metropolitan District No. 2, in Larimer County, Colorado (the “**District**”) is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

**WHEREAS**, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to provide certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Districts (defined herein), in accordance with the Consolidated Service Plan for the District, The Lakes at Centerra Metropolitan District No. 1 (“**District No. 1**”) and The Lakes at Centerra Metropolitan District No. 3 (“**District No. 3**” and, together with the District and District No. 1, the “**Districts**”) approved by the City Council for the City of Loveland, Colorado (the “**City**”) on September 4, 2007 (as amended and restated from time to time, the “**Service Plan**”); and

**WHEREAS**, at a special election of the qualified electors of the District, duly called and held on Tuesday, November 6, 2007 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain public improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, the questions relating thereto being as set forth on Exhibit C to the Junior Lien Indenture (as defined herein); and

**WHEREAS**, the returns of the Election were duly canvassed and the results thereof duly declared; and

**WHEREAS**, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S. within forty-five days after the Election, and with the division of securities created by Section 11-51-701, C.R.S.; and

**WHEREAS**, the Board of the District has previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

**WHEREAS**, in furtherance of the Service Plan and for the purpose of coordinating the financing, construction, ownership, operation and maintenance of Facilities, which Facilities are necessary to support development within such Districts, District No. 1 has previously entered into the following agreements with C R Development, Inc., a Colorado corporation (“**CRD**”), and issued the following notes (District No. 1’s obligations thereunder collectively referred to herein as the “**Developer Obligations**”): (i) a 2017 Advance and Reimbursement Agreement, dated June 1, 2017, as amended by that First Amendment to 2017 Advance and Reimbursement Agreement, dated November 20, 2018, with District No. 1’s payment obligations thereunder being further evidenced by a promissory note issued to CRD (the “**2017 Note**”); (ii) a 2019 Advance and Reimbursement Agreement, dated January 1, 2019 with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory note issued to CRD (the “**2019 Note**”) which 2019 Note refunded the 2017 Note; (iii) a 2020 Advance and Reimbursement Agreement, dated January 1, 2020 with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory issued to CRD (the “**2020 Note**”), which 2020 Note refunded the 2019 Note; (iv) a 2021 Advance and Reimbursement Agreement, dated January 1, 2021, as amended by a First Amendment thereto dated December 31, 2021, which agreement superseded all prior agreements between District No. 1 and CRD with respect to advance and reimbursements, with District No. 1’s payment obligations thereunder being further evidenced by a subordinate promissory note (the “**2021 Note**”), which 2021 Note was refunded by a subordinate promissory note dated January 1, 2022; and

**WHEREAS**, for the purpose of financing a portion of the Project (including paying amounts due or to become due under the Developer Obligations), the Board has previously issued its (i) Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A in the aggregate principal amount of \$29,035,000 (the “**2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of March 1, 2018 (the “**2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”); and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B in the aggregate principal amount of \$4,090,000 (the “**2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of March 1, 2018 (the “**2018B Subordinate Indenture**”, and together with the 2018A Senior Indenture, the “**2018 Indentures**”), by and between the District and the Trustee; and

**WHEREAS**, in connection with the issuance of the 2018A Senior Bonds and the 2018B Subordinate Bonds, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations, dated March 15, 2018, which terminated a prior intergovernmental agreement among the Districts and provided for the payment of Developer Obligations; and

**WHEREAS**, for the purpose of financing a portion of the Project (including, but not limited to, paying amounts due under the Developer Obligations), the Board of Directors of the District (the “**Board**”) hereby determines to issue its Junior Lien Limited Tax General Obligation Bonds, Series 2022C, in the aggregate principal amount of up to \$9,500,000 (the “**Bonds**”); and

**WHEREAS**, in order to provide for the payment of the Bonds and certain other obligations that may be issued by the District in the future, the District intends to enter into a Junior Lien Capital Pledge Agreement (the “**Junior Lien Pledge Agreement**”), among the District, District No. 3 and the Trustee, pursuant to which Junior Lien Pledge Agreement, District No. 3 will be obligated to impose ad valorem property taxes in an amount equal to the “**Junior Lien Required Mill Levy**” (as defined therein) and pay the proceeds thereof to the Trustee, or as otherwise directed by the District; and

**WHEREAS**, the Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Junior Lien) (the “**Junior Lien Indenture**”) by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), and shall be payable solely from the sources set forth in the Junior Lien Indenture, including the Junior Lien Pledged Revenue (as defined therein), which includes amounts derived under the Junior Lien Pledge Agreement; and

**WHEREAS**, the Bonds shall constitute “Junior Lien Obligations” under the 2018 Indentures, and the District shall comply with each of conditions for the issuance of the Bonds as Junior Lien Obligations set forth in Section 4.04(d) of the 2018 Indentures; and

**WHEREAS**, the principal amount of the Bonds shall be allocated to the District's electoral authorization, to the extent required, as more particularly provided in the recitals of the Junior Lien Indenture; and

**WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

**WHEREAS**, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Junior Lien Pledged Revenue; and

**WHEREAS**, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, pursuant to the provisions of Section 32-1-1101(6), C.R.S., the Bonds shall be (i) issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S., or (ii) payable from the Junior Lien Required Mill Levy imposed for such purpose, which will not exceed 50 mills (without adjustment); and

**WHEREAS**, there has been presented to this meeting of the Board a proposal from Wells Fargo Securities, Denver, Colorado (the “**Underwriter**”), to purchase the Bonds in accordance with the terms and conditions set forth in a Bond Purchase Agreement (the “**Bond Purchase Agreement**”); and

**WHEREAS**, after consideration, the Board has determined that the sale of the Bonds to the Underwriter upon the terms and conditions presented to the Board and to be set forth in the

Bond Purchase Agreement (subject to the limitations set forth herein) is in the best interests of the District, the taxpayers thereof, and the citizens of the County and the State; and

**WHEREAS**, there has been presented to this meeting of the Board substantially final forms of the following (all as defined herein): the Junior Lien Indenture, the Junior Lien Pledge Agreement, the Continuing Disclosure Agreement, the Post Issuance Tax Compliance Policy and the Bond Purchase Agreement; and

**WHEREAS**, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, the Junior Lien Indenture, and the Junior Lien Pledge Agreement, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

**WHEREAS**, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the President of the District to determine certain provisions of the Bonds to be set forth in the Bond Purchase Agreement, in accordance with the provisions of this Resolution;

**WHEREAS**, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 2, IN LARIMER COUNTY, COLORADO:

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto, the Junior Lien Indenture, and the following capitalized terms shall have the respective meanings set forth below:

*“Act”* means the “Special District Act,” being Title 32, Article 1, C.R.S.

*“Bonds”* means the District's Junior Lien Limited Tax General Obligation Bonds, Series 2022C, dated their date of delivery.

*“Continuing Disclosure Agreement”* means the Continuing Disclosure Agreement to be dated as of the date of issuance of the Bonds, between the District and the Trustee.

*“Facilities”* means public improvements the debt for which was approved at the Election, including without limitation necessary or appropriate equipment.



*“Financing Documents”* means, collectively, this Resolution, the Junior Lien Indenture, the Junior Lien Pledge Agreement, the Tax Compliance Certificate, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

*“Limited Offering Memorandum”* means the final Limited Offering Memorandum relating to the offer and sale of the Bonds.

*“Post Issuance Tax Compliance Policy”* means the Post Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Compliance Certificate.

*“Project”* means the acquisition, construction, and installation of Facilities.

*“Resolution”* means this Resolution which authorizes the issuance of the Bonds.

*“Supplemental Act”* means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

*“Tax Compliance Certificate”* means the Tax Compliance Certificate of the District in a form approved by bond counsel to the District governing issues relating to the Bonds under the Internal Revenue Code of 1986.

*“Underwriter”* means Wells Fargo Securities, of Denver, Colorado, the original purchaser of the Bonds.

**Section 2. Approval and Authorization of Financing Documents.** The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President or Vice President of the District and the Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the District thereto, and the President or Vice President of the District, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the financing of the Project (to the extent of proceeds available therefor), including to authorize the payment of net proceeds of the Bonds after payment of the Underwriter's discount in accordance with the Bond Purchase Agreement, for costs of issuance of the Bonds, in addition to the other uses contemplated by the Junior Lien Indenture. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization of Bonds.** In accordance with the Constitution of the State of Colorado; the Act; the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of funding costs of the Project and paying costs of issuance of the Bonds, all as further provided in the Junior Lien Indenture. The Bonds shall constitute limited tax general obligations of the District as provided in the Junior Lien Indenture, secured by the Trust Estates as defined and more particularly provided therein.

**Section 4. Bond Details.** The Bonds shall be issued only as fully registered bonds in the aggregate principal amount of up to \$9,500,000, and dated the date of delivery of the Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Bond Purchase Agreement and the Junior Lien Indenture. The Bonds shall be issued in Authorized Denominations (as defined in the Junior Lien Indenture), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Junior Lien Indenture.

**Section 5. Delegation and Parameters.**

(a) In accordance with the Constitution and the laws of the State and the provisions of this Resolution, and for the purposes of defraying the cost of the Project, the Board hereby authorizes to be issued the Bonds in the aggregate principal amount provided in the Bond Purchase Agreement, subject to the parameters and restrictions set forth below.

(b) Section 11-57-204 of the Supplemental Act provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Bonds.

(c) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to any member of the Board the authority to sign the Bond Purchase

Agreement, and to make the following determinations with respect to the Bonds, subject to the parameters and restrictions set forth in this Section:

- (i) the rates of interest on the Bonds;
  - (ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Bonds subject to mandatory sinking fund redemption and the years in which such Bonds will be subject to such redemption;
  - (iii) the prices at which the Bonds will be sold;
  - (iv) the principal amount of the Bonds; and
  - (v) the dates on which principal and interest shall be paid and the first interest payment date.
- (d) Such determinations shall be subject to the following restrictions and parameters:
- (i) the maximum net effective interest rate on the Bonds shall not exceed the rate prescribed in the Election;
  - (ii) the total repayment cost of the Bonds and the maximum annual repayment costs thereof, shall not exceed the total repayment cost and maximum annual tax increase limitations of the Election;
  - (iii) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds
  - (iv) the Bonds shall mature no later than December 15, 2052; and
  - (v) the aggregate principal amount of the Bonds shall not exceed \$9,500,000; and
  - (vi) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed.

**Section 6. Permitted Amendments to Bond Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Junior Lien Indenture, as provided in the Junior Lien Indenture.

**Section 7. Appointment of District Representatives.** The President of the Board is hereby appointed as a District Representative, as defined in the Junior Lien Indenture. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

**Section 8. Disposition and Investment of Proceeds; Tax Covenants.** The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Junior Lien Indenture, as applicable). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

**Section 9. Post Issuance Tax Compliance Policy.** The Board hereby confirms its approval of the previously-adopted Post Issuance Tax Compliance Policy, adopted on September 26, 2016, and reaffirms the designation of the person so identified therein as the “Responsible Person.”

**Section 10. Costs and Expenses.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 11. Limited Offering Memorandum.** The completion of the Preliminary Limited Offering Memorandum and its use and distribution in connection with the sale of the Bonds is hereby authorized and approved. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Limited Offering Memorandum if deemed necessary by the Underwriter in connection with its marketing of the Bonds. The Board hereby authorizes the preparation and distribution of a final Limited Offering Memorandum. The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as of the respective dates thereof. The President of the District is hereby authorized to execute copies of the Limited Offering Memorandum on behalf of the District.

**Section 12. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Junior Lien Indenture shall be governed by Section 11-57-208 of the Supplemental Act, this Resolution and the Junior Lien Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Junior Lien Indenture shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as

against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

**Section 13. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

**Section 14. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

**Section 15. Limitation of Actions.** Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of such securities.

**Section 16. Ratification and Approval of Prior Actions.** All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, or the execution of any documents in connection with the Bonds, are hereby ratified, approved, and confirmed.

**Section 17. Resolution Irrepealable.** After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Junior Lien Indenture.

**Section 18. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 19. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 20. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 24<sup>th</sup> day of March, 2022.



THE LAKES AT CENTERRA METROPOLITAN  
DISTRICT NO. 2, IN LARIMER COUNTY,  
COLORADO

  
\_\_\_\_\_  
President