

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
CENTERRA METROPOLITAN DISTRICT NO. 3
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2016

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

The Board of Directors of the Centerra Metropolitan District NO. 3, Larimer County, Colorado, held a meeting at the office of McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, November 19, 2015 at 11:30 a.m.

The following members of the Board of Directors were present:

Kim Perry, President
Josh Kane, Secretary/Treasurer
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Tom Hall, Assistant Secretary & Assistant Treasurer

Also in attendance was: Jim Niemczyk, McWhinney; Alan Pogue, Icenogle, Seaver & Pogue, P.C., District Counsel; Peggy Dowswell, Brendan Campbell, Carla Hawkins, Jim Worley, and Jason Woolard, Pinnacle Consulting Group Inc.

Ms. Hawkins stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2016 budget. Director Perry opened the public hearing on the District's proposed 2016 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Den Herder 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 CENTERRA METROPOLITAN DISTRICT NO. 3, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2016, AND ENDING ON THE LAST DAY OF DECEMBER 2016,

WHEREAS, the Board of Directors of the 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 November 12, 2015, in The 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 November 19, 2015, 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 CENTERRA METROPOLITAN DISTRICT NO. 3 OF LARIMER COUNTY, COLORADO:

Section 1. 2016 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. 2016 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 2016. 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 Centerra Metropolitan District No. 3 for calendar year 2016.

Section 4. 2016 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2016 Budget year is \$56,174. That the 2015 valuation for assessment, as certified by the Larimer County Assessor, is \$280.87.

- A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2016 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2015 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 bond and interest approved at election of the District during the 2016 budget year, there is hereby levied a tax of 5.000 mills upon each dollar of the 2015 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 5.000 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 Commissioners¹ of Larimer County, Colorado.

On behalf of the Centerra Metropolitan District No. 3

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Centerra Metropolitan District No. 3

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 60,695 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: \$ 56,174 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/04/2015 for budget/fiscal year 2016.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	<u>5.000</u> mills	\$ <u>280.87</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	5.000 mills	\$ 280.87

Contact person: (print) Peggy Dowswell Daytime phone: (970) 669-3611
Signed: Peggy Dowswell 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.

¹ 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.
² 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^J:

1. Purpose of Issue: Repay Centerra Metropolitan District No. 1's 2014 Loan Agreement of \$139,700,000 to fund infrastructure improvements.
 Series: 2014
 Date of Issue: 12/04/2014
 Coupon Rate: Variable Rate
 Maturity Date: 12/04/2021
 Levy: 5.000
 Revenue: 280.87

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

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.

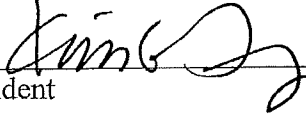
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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

The foregoing Resolution was seconded by Director Kane.

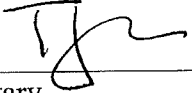
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ADOPTED AND APPROVED this 19th day of November 2015.



President

ATTEST:



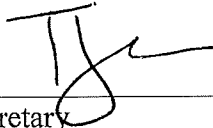
Secretary

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

I, Tom Hall, Secretary to the Board of Directors of the Centerra Metropolitan District No. 3, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 to 9, inclusive, 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 at the office of McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, November 19, 2015, at 11:30 a.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 2016; 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 2016 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 19th day of November, 2015.

(S E A L)



Secretary



PINNACLE
CONSULTING GROUP, INC.

Accountant's Report

BOARD OF DIRECTORS
CENTERRA METROPOLITAN DISTRICT NO. 3

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of Centerra Metropolitan District No. 3 for the year ending December 31, 2016, including the forecasted estimate of comparative information for the year ending December 31, 2015. I 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.

The actual historical information for the year 2014 is presented for comparative purposes only.

Substantially all of 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 District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

Brendan Campbell, CPA
January 29, 2016

CENTERRA METROPOLITAN DISTRICT NO. 3
GENERAL FUND
FORECASTED 2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ADOPTED AND ESTIMATED
For the Years Ended and Ending December 31,

1/29/16

Page 1

	ACTUAL 2014	ADOPTED BUDGET 2015	ESTIMATED 2015	ADOPTED BUDGET 2016
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property taxes	504	352	352	281
Specific ownership tax	43	25	32	20
Investment & Other	-	100	-	100
Total revenue	547	477	383	401
Total funds available	547	477	383	401
EXPENDITURES				
County Treasurer's fees	10	7	7	6
Payment for Debt to District No. 1	537	370	376	295
Contingency	-	100	-	100
Total expenditures	547	477	383	401
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

CENTERRA METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/29/16

Page 2

ACTUAL 2014	ADOPTED BUDGET 2015	ESTIMATED 2015	ADOPTED BUDGET 2016
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ASSESSED VALUATION - LARIMER COUNTY

Residential	\$ -	\$ -	\$ -	\$ -
Commercial	-	-	-	-
Agricultural	8,140	8,140	8,140	10,259
Oil & Gas	66,938	65,802	65,802	50,436
State assessed	29,400	-	-	-
Vacant land	-	-	-	-
Personal property	-	-	-	-
	104,478	73,942	73,942	60,695
Adjustments - Tax Increment	(3,561)	(3,557)	(3,557)	(4,521)
Certified Assessed Value	\$ 100,917	\$ 70,385	\$ 70,385	\$ 56,174

MILL LEVY

Contractual Obligation - Debt Service	5.000	5.000	5.000	5.000
Debt Service	0.000	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000	0.000
Total mill levy	5.000	5.000	5.000	5.000

PROPERTY TAXES

Contractual Obligation - Debt Service	\$ 505	\$ 352	\$ 352	\$ 281
Debt Service	-	-	-	-
Temporary Mill Levy Reduction	-	-	-	-
Refund and abatements	-	-	-	-
Levied property taxes	505	352	352	281
Adjustments to actual/rounding	-	-	-	-
Refunds and abatements	-	-	-	-
Budgeted property taxes	\$ 505	\$ 352	\$ 352	\$ 281

BUDGETED PROPERTY TAXES

General	\$ 505	\$ 352	\$ 352	\$ 281
Debt Service	\$ -	\$ -	\$ -	\$ -
	\$ 505	\$ 352	\$ 352	\$ 281

CENTERRA METROPOLITAN DISTRICT NO. 3

2016 BUDGET MESSAGE

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 established as the "Finance District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1 ("Service District"), No.2, No.4, and No.5 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

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.

The District's strategy in preparing the 2016 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

General Fund

The District adopted a levy of 5.000 mills which resulted in budgeted property tax revenue of \$281, specific ownership tax revenue of \$20 and other revenue of \$100 totaling \$401 of budgeted revenue and likewise \$401 of budgeted expenditures for the purpose of paying debt obligation as discussed below under Debt. The District's minimal administrative needs are being performed by the Service District.

Debt

The District has no outstanding debt. However, property tax revenues equal to 5.000 mills are pledged to District No. 1 through a Capital Pledge Agreement for the 2014 Loan of the Service District.

Reserves

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in a Capital Pledge Agreement with Centerra Metropolitan District No. 1. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 3. The emergency reserve related to this District is held in Centerra Metropolitan District No. 1.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 137 - CENTERRA METROPOLITAN DISTRICT NO. 3
 IN LARIMER COUNTY, COLORADO ON November 25, 2015

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 2015:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	70,385
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✖	60,695
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	4,521
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	56,174
5. NEW CONSTRUCTION: ‡	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	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 RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	\$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), Colorado Constitution.

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

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 and 52A.

† Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATIONS ONLY

IN ACCORDANCE WITH ARTICLE X, SECTION 20, COLORADO CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2015:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	76,325
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/EXCLUSIONS:	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 County Commissioners NO LATER THAN DECEMBER 15