

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**CENTERRA METROPOLITAN DISTRICT NO. 2**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2016

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

The Board of Directors of the Centerra Metropolitan District No. 2, 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.; Will Welch, Wm T. Welch Company; Ralph Trenary, City of Loveland City Council Member.

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. 2, 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. 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 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. 2 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. 2 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 \$65,873.42. That the 2015 valuation for assessment, as certified by the Larimer County Assessor, is \$2,905,645.

- 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 35.000 mills upon each dollar of the 2015 total valuation of assessment of all taxable property within the District; there is hereby levied a tax of 35.000 mills upon each dollar of the 2015 total valuation of assessment of all taxable property within the Residential Debt District #2; there is hereby levied a tax of 6.655 mills upon each dollar of the 2015 total valuation of assessment of all taxable property within the Bond District #2.
- C. Levy for Contractual Obligations. That for the purposes of meeting all general contractual obligations approved at election of the District during the 2016 budget year, there is hereby levied a tax of 7.600 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 42.6000 for District No. 2, 6.655 for District No. 2 Bond, and 35.000 for District No. 2 Residential Debt 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 Centerra Metropolitan District No. 2,

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the 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 \$ 102,680,950 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: \$ 1,256,450 (NET<sup>G</sup> 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 <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>0.000 mills</b>	<b>\$ 0.00</b>
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 43,975.75
4. Contractual Obligations <sup>K</sup>	7.600 mills	\$ 9,549.02
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): _____	mills	\$
	mills	\$
<b>TOTAL: [ Sum of General Operating Subtotal and Lines 3 to 7 ]</b>	<b>42.600 mills</b>	<b>\$ 53,524.77</b>

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.

<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 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:             | 35.000   |
|    | Revenue:          | \$43,975.75  |
|    |                   |  |
| 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 Centerra Metropolitan District No. 2's infrastructure improvements. |
|    | Title:               | Amended and Restated District Facilities Service Agreement  |
|    | Date:                | 2/21/2008   |
|    | Principal Amount:    | _____   |
|    | Maturity Date:       | _____   |
|    | Levy:                | 7.600   |
|    | Revenue:             | \$9,549.02  |
|    |                      |   |
| 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.

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

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

On behalf of the Centerra Metropolitan District No. 2 Res Debt,  
(taxing entity)<sup>A</sup>

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

of the Centerra Metropolitan District No. 2 Res Debt  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,161,609 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: \$ 48,448 (NET<sup>G</sup> 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 <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>0.000 mills</b>	<b>\$ 0.00</b>
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 1,695.68
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>35.000 mills</b>	<b>\$ 1,695.68</b>

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.

<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 Centerra Metropolitan District No. 1's Series 2008 Revenue Bond issue of \$112,000,000 refunded by 2014 Loan Agreement to fund infrastructure improvements. |
|    | Series:           | 2014  |
|    | Date of Issue:    | 12/04/2014  |
|    | Coupon Rate:      | Variable Rate   |
|    | Maturity Date:    | 12/04/2021  |
|    | Levy:             | 35.000  |
|    | Revenue:          | \$1,695.68  |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

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

- |    |                      |       |
|----|----------------------|-------|
| 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.

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

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

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

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

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

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,600,747 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: \$ 1,600,747 (NET<sup>G</sup> 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 <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>	< <u>        </u> > mills	\$ < <u>        </u> >
<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>	<u>6.655</u> mills	\$ <u>10,652.97</u>
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>6.655</u> mills</b>	<b>\$ <u>10,652.97</u></b>

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

<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 Centerra Metropolitan District No. 1's Series 2004 Revenue Bond issue of \$57,000,000 refunded by 2014 Loan Agreement to fund infrastructure improvements. |
|    | Series:           | 2014   |
|    | Date of Issue:    | 12/04/2014   |
|    | Coupon Rate:      | Variable Rate  |
|    | Maturity Date:    | 12/04/2021   |
|    | Levy:             | 6.655  |
|    | Revenue:          | 10,652.97  |
|    |                   |  |
| 2. | Purpose of Issue: | _____  |
|    | Series:           | _____  |
|    | Date of Issue:    | _____  |
|    | Coupon Rate:      | _____  |
|    | Maturity Date:    | _____  |
|    | Levy:             | _____  |
|    | Revenue:          | _____  |

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

- |    |                      |       |
|----|----------------------|-------|
| 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. 2.


The foregoing Resolution was seconded by Director Kane.

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

ADOPTED AND APPROVED this 19<sup>th</sup> day of November 2015.

  
\_\_\_\_\_  
President

ATTEST:

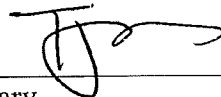
  
\_\_\_\_\_  
Secretary

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

I, Tom Hall, Secretary to the Board of Directors of the Centerra Metropolitan District No. 2, 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 19<sup>th</sup> day of November, 2015.

(S E A L)

  
\_\_\_\_\_  
Secretary



Accountant's Report

BOARD OF DIRECTORS  
CENTERRA METROPOLITAN DISTRICT NO. 2

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of Centerra Metropolitan District No. 2 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.

A handwritten signature in blue ink, appearing to read "B. Campbell", is positioned above the typed name and date.

Brendan Campbell, CPA  
January 29, 2016

**CENTERRA METROPOLITAN DISTRICT NO. 2**  
**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	\$ -	\$ -	\$ -	\$ -
<b>REVENUE</b>				
Property taxes - Contractual Oblig	49,404	48,365	49,290	53,525
Property taxes - Debt Service	9,817	10,705	10,705	12,349
Specific ownership taxes - General	320,961	300,267	328,543	339,789
Specific ownership taxes - Debt Service	13,807	12,529	14,306	11,723
Investment income & Other	820	50,000	1,000	50,000
Total revenue	394,807	421,866	403,844	467,386
Total funds available	394,807	421,866	403,844	467,386
<b>EXPENDITURES</b>				
County Treasurer's fees - General	989	967	986	1,071
County Treasurer's fees - Debt Service	196	214	214	247
Payment of Services to District No. 1	49,234	47,398	49,305	52,455
Payment of Services to District No. 1 - S/O	320,961	300,267	328,543	339,789
Payment of Debt Service to District No. 1	23,427	23,020	24,796	23,825
Contingency	-	50,000	-	50,000
Total expenditures	394,807	421,866	403,844	467,386
Total expenditures and transfers out requiring appropriation	394,807	421,866	403,844	467,386
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

**CENTERRA METROPOLITAN DISTRICT NO. 2**  
**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 - COMMERCIAL AREA

CENTERRA MD NO. 2

Residential	\$ -	\$ -	\$ -	\$ -
Commercial	88,071,640	86,732,460	86,732,460	98,734,853
Industrial	1,649,460	1,319,920	1,319,920	1,384,413
Agricultural	30,060	29,750	29,750	37,592
State assessed	80,300	61,800	61,800	61,800
Vacant land	1,915,030	1,915,030	1,915,030	2,462,292
	<u>91,746,490</u>	<u>90,058,960</u>	<u>90,058,960</u>	<u>102,680,950</u>
Adjustments - Tax Increment	(90,667,401)	(88,923,638)	(88,923,638)	(101,424,500)
Certified Assessed Value - CENTERRA MD NO. 2 - Base	<u>\$ 1,079,089</u>	<u>\$ 1,135,322</u>	<u>\$ 1,135,322</u>	<u>\$ 1,256,450</u>

MILL LEVY - COMMERCIAL AREA

CENTERRA MD NO. 2

Contractual Obligation	7.600	7.600	7.600	7.600
Contractual Obligation - Debt Service	35.000	35.000	35.000	35.000
Total mill levy - CENTERRA MD NO. 2	<u>42.600</u>	<u>42.600</u>	<u>42.600</u>	<u>42.600</u>

ASSESSED VALUATION - LARIMER COUNTY - LAKE SHORE

CENTERRA MD NO. 2 BOND

Residential	\$ 1,055,730	\$ 1,272,480	\$ 1,272,480	\$ 1,600,167
Vacant	156,790	52,440	52,440	580
Certified Assessed Value - CENTERRA MD NO. 2 BOND	<u>\$ 1,212,520</u>	<u>\$ 1,324,920</u>	<u>\$ 1,324,920</u>	<u>\$ 1,600,747</u>

MILL LEVY - LAKE SHORE

Contractual Obligation - Dbt svc, 2004 bonds - Lake Shore

	<u>6.655</u>	<u>6.655</u>	<u>6.655</u>	<u>6.655</u>
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ASSESSED VALUATION - LARIMER COUNTY - LAKE VISTA

CENTERRA MD NO. 2 RES DEBT

Agricultural	-	-	-	-
Commercial	481,690	429,600	429,600	261,232
Residential	4,091,430	4,091,430	4,091,430	3,900,377
	<u>4,573,120</u>	<u>4,521,030</u>	<u>4,521,030</u>	<u>4,161,609</u>
Adjustments - Tax Increment	(4,523,292)	(4,467,101)	(4,467,101)	(4,113,161)
Certified Assessed Value - CENTERRA MD NO. 2 RES DEBT	<u>\$ 49,828</u>	<u>\$ 53,929</u>	<u>\$ 53,929</u>	<u>\$ 48,448</u>

MILL LEVY - LAKE VISTA

Contractual Obligation - Dbt svc, 2008 bonds

	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
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PROPERTY TAXES - BASE & DEBT ONLY

Contractual Obligation	\$ 45,969	\$ 48,365	\$ 48,365	\$ 53,525
Contractual Obligation - Debt Service - CEN 2 BOND	8,069	8,817	8,817	10,653
Contractual Obligation - Debt Service - CEN 2 RES DEBT	1,744	1,888	1,888	1,696
	<u>55,782</u>	<u>59,070</u>	<u>59,070</u>	<u>65,874</u>
Levied property taxes				
Refunds and abatements	-	-	-	-
Budgeted property taxes	<u>\$ 55,782</u>	<u>\$ 59,070</u>	<u>\$ 59,070</u>	<u>\$ 65,874</u>

## CENTERRA METROPOLITAN DISTRICT NO. 2

### 2016 BUDGET MESSAGE

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 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"), No.3, 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**

With the exception of the County Treasurer fees, all expenditures are related to the transfers to District No. 1 for overall operating costs and debt service as required by intergovernmental agreements. The District adopted a mill levy of 42.600 mills which resulted in budgeted property tax revenue on the assessed value (net of the tax increment) of \$53,525 and specific ownership tax revenue of \$339,789. Certain properties have been excluded from the District but retained an obligation on debt that was issued prior to exclusion. These properties are within Centerra MD No. 2 Bond and Centerra MD No. 2 Res Debt, which adopted debt only mill levies of 6.655 mills and 35.000 mills, respectively. This resulted in budgeted property tax revenue of \$10,653 and \$1,696 respectively, and specific ownership tax of \$11,723 for the purpose of paying debt obligation as discussed below under Debt.

#### *Debt*

The District has no outstanding debt. However, property tax revenues are pledged to the 2014 loan for District No. 1 through a Capital Pledge Agreement.

#### *Reserves*

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between Centerra Metropolitan District Nos. 1-5. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 2. 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 136 - CENTERRA METROPOLITAN DISTRICT NO. 2  
 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:	1,135,322
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✕	102,680,950
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	101,424,500
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1,256,450
5. NEW CONSTRUCTION: ‡	73,077
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: ¶	541,072,380
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: **	251,989
3. ANNEXATIONS/INCLUSIONS:	0
4. INCREASED MINING PRODUCTION: §	0
5. PREVIOUSLY EXEMPT PROPERTY:	345,000
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:	4,120
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**

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 180 - CENTERRA METROPOLITAN DISTRICT NO. 2 BOND  
 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:	1,324,920
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✕	1,600,747
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1,600,747
5. NEW CONSTRUCTION: ‡	136,798
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: ¶	20,105,000
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### ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: **	1,718,571
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**

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 207 - CENTERRA METROPOLITAN DISTRICT NO. 2 RES DEBT  
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:	53,929
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✖	4,161,609
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	4,113,161
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	48,448
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: ¶	58,999,720
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>	
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**