CERTIFIED RECORD

OF

PROCEEDINGS RELATING TO

THE LAKES AT CENTERRA CONSOLIDATED METROPOLITAN DISTRICT

LARIMER COUNTY, COLORADO

AND THE BUDGET HEARING

FOR FISCAL YEAR

2026

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
THE LAKES AT CENTERRA)
CONSOLIDATED)
METROPOLITAN DISTRICT)

The Board of Directors of The Lakes at Centerra Consolidated Metropolitan District, Larimer County, Colorado, held a meeting at the offices of Pinnacle Consulting Group, Inc., 550 W. Eisenhower Blvd, Loveland, Co, 80537, and via Microsoft Teams on Tuesday, May 5, 2026, at 6:00 p.m.

The following members of the Board of Directors were present:

James Laferriere – President
Susan Draut – Vice President
Stephen Piereson – Treasurer
Jarilyn Wagner – Secretary
Lance Noble – Asst. Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Bryan Newby, Jennifer Ondracek, Dillon Gamber, Nic Ortiz, and Jake Downing; Pinnacle Consulting Group, Inc.
Gabriel Garcia; Member of the Public.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2026 budget. Director Laferriere opened the public hearing on the District's proposed 2026 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Piereson moved to adopt the following Resolution:

R E S O L U T I O N

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND AND DEBT SERVICE FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LAKES AT CENTERRA CONSOLIDATED METROPOLITAN DISTRICT, LARIMER COUNTY, COLORADO, FOR THE 2026 BUDGET YEAR FOR THE DISTRICT, COMMENCING ON THE 18TH DAY OF MAY, 2026, AND ENDING ON THE 31ST DAY OF DECEMBER 2026.

WHEREAS, the Board of Directors of the Lakes at Centerra Consolidated Metropolitan District 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 April 29, 2026, 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 May 5, 2026, 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 CONSOLIDATED METROPOLITAN DISTRICT OF LARIMER COUNTY, COLORADO:

Section 1. 2026 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. 2026 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 2026. 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 Consolidated Metropolitan District for calendar year 2026.

Section 4. 2026 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2026 Budget year is \$3,448,486.21. That the 2025 valuation for assessment, as certified by the Larimer County Assessor, is \$38,794,491.00. Pursuant to Paragraph 8 of the Consolidation Agreement by and among The Lakes at Centerra Metropolitan District Nos. 1, 2 and 3, dated May 1, 2025, The Lakes at Centerra Metropolitan District No. 2 ("District No. 2") and The Lakes at Centerra Metropolitan District No. 3 ("District No. 3") adopted a 2026 Budget pursuant to which District No. 2 and District No. 3 certified the necessary debt service mill levies and general operating mill levies for collection in 2026. The Larimer County Assessor has been directed, as per the Consolidation Agreement, to divert all revenues collected from District No. 2 and District No. 3's debt service mill levies and general operating mill levies to the District upon the effective date of the consolidation of The Lakes at Centerra Metropolitan District Nos. 1, 2 and 3, which was March 18, 2026.

A. Levy for Debt Service Fund. The District will apply all debt service mill levy revenues collected by Larimer County and diverted to the District, as provided in Section 4 of this Budget Resolution, to the payment of general obligation debt as provided in the Debt Service Fund of the District's 2026 Budget.

B. Levy for General Fund. The District will apply all general operating mill levy revenues collected by Larimer County and diverted to the District, as provided in Section 4 of this Budget Resolution, to the payment of general operating expenses as provided in the General Fund of the District's 2026 Budget.

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. 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 7. Budget Certification. That the budget shall be certified by Director Piereson, Treasurer of the District, and made a part of the public records of The Lakes at Centerra Consolidated Metropolitan District.

The foregoing Resolution was seconded by Director Draut.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 5th Day of May, 2026.

____

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
THE LAKES AT CENTERRA)
CONSOLIDATED)
METROPOLITAN DISTRICT)

I, Stephen Piereson, Treasurer to the Board of Directors of The Lakes at Centerra Consolidated Metropolitan District, 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 at the offices of Pinnacle Consulting Group, Inc., 550 W Eisenhower Blvd, Loveland, Co, 80537, and via Microsoft Teams on Tuesday, May 5, 2026, at 6:00 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 2026; 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 2026 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 5th day of May, 2026.

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LAKES AT CENTERRA CONSOLIDATED METROPOLITAN DISTRICT
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS
GENERAL FUND

		2026 Proposed Budget
Revenues		
Property Taxes; Area No. 2	$	333,459
Specific Ownership Taxes: Area No. 2		20,008
Property Taxes: Area No. 3		381,984
Specific Ownership Taxes: Area No. 3		22,919
Interest and Other Income		10,000
Total Revenues	**$**	**768,370**
Expenditures		
Operations & Maintenance:		
Payment to HOA	$	580,000
Landscape Maintenance		5,500
Manicured Landscape Maintenance		45,500
Stormwater Facilities		16,500
Non-Potable Water Facilities		29,000
Irrigation repair		13,500
Amenities		-
Tree and Plant Upgrade		25,000
Playground		5,000
Wood Mulch Replacement		5,000
Facilities Management		17,577
Administration:		
Accounting		58,590
Audit		30,000
District Management		63,000
Directors Fees		3,100
Election Expense		-
Engineering		3,000
Insurance		15,000
Legal		57,750
Office and Other		5,045
Website Hosting		1,725
County Treasurer's Fees		14,309
Transfer to Capital Fund		15,000
Contingency		25,000
Total Expenditures	**$**	**1,034,096**
Revenues Over/(Under) Expenditures	**$**	**(265,726)**
Other Sources/(Uses) of Funds:		
Transfer from District No. 1	$	724,085
Net Other Sources/(Uses) of Funds	**$**	**724,085**
Beginning Fund Balance	**$**	**-**
Ending Fund Balance	**$**	**458,360**
COMPONENTS OF ENDING FUND BALANCE:		
Repairs and Maintenance Reserve		
Beginning	**$**	**-**
Addition (Reserve Study)	$	311,170
Less: Expense		-
Ending	$	311,170
Operating Reserve (25% of Operations)	$	107,274
Repairs and Replacement Reserve		23,051
Unrestricted		16,865
TOTAL ENDING FUND BALANCE	**$**	**458,360**

Modified Accrual Budgetary Basis

LAKES AT CENTERRA CONSOLIDATED METROPOLITAN DISTRICT	
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS	
DEBT SERVICE FUND	
	2026 Adopted Budget
Revenues	
Property Taxes: Area No. 2	$ 1,273,852
Specific Ownership Taxes: Area No. 2	76,431
Property Taxes: Area No. 3	1,459,192
Specific Ownership Taxes: Area No. 3	87,552
Interest and Other Income	100,000
Total Revenues	**$ 2,997,027**
Expenditures	
2024A Bond Principal	425,000
2024A Bond Interest	1,913,050
2024B Bond Interest	137,063
Trustee Fees	6,000
County Treasurer's Fees	54,661
Contingency	25,000
Total Expenditures	**$ 2,560,774**
Revenues over/(under) Expend	**$ 436,253**
Other Sources/(Uses) of Funds:	
Transfer from District No. 2	$ 960,412
Net Other Sources/(Uses) of Funds	**$ 960,412**
Rev over/(under) Exp after Other	**$ 1,396,665**
Beginning Fund Balance	**$ -**
Ending Fund Balance	**$ 1,396,665**

LAKES AT CENTERRA CONSOLIDATED METROPOLITAN DISTRICT	
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS	
CAPITAL PROJECTS FUND	
	2026 Adopted Budget
Revenues	
Transfer from General Fund	$ 15,000
Total Revenues	**$ 15,000**
Expenditures	
District Management	$ 5,000
Repairs and Replacements	10,000
Total Expenditures	**$ 15,000**
Revenues over/(under) Expend	**$ -**
Other Sources/(Uses) of Funds:	
Transfer from District No. 1	$ 107,397
Net Other Sources/(Uses) of Funds	**$ 107,397**
Beginning Fund Balance	**$ -**
Ending Fund Balance	**$ 107,397**

Services Provided

The Lakes at Centerra Consolidated Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in March 2026 through the consolidation of The Lakes at Centerra Metropolitan Districts Nos 1, 2, and 3. 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. 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 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 has no employees and all administrative functions are contractual.

Revenues

Transfers from Taxing Areas 2 & 3

Pursuant to Paragraph 8 of the Consolidation Agreement by and among The Lakes at Centerra Metropolitan District Nos. 1, 2 and 3, dated May 1, 2025, The Lakes at Centerra Metropolitan District No. 2 (“District No. 2”) and The Lakes at Centerra Metropolitan District No. 3 (“District No. 3”) adopted a 2026 Budget pursuant to which District No. 2 and District No. 3 certified the necessary debt service mill levies and general operating mill levies for collection in 2026. The Larimer County Assessor has been directed, as per the Consolidation Agreement, to divert all revenues collected from District No. 2 and District No. 3’s debt service mill levies and general operating mill levies to the District upon the effective date of the consolidation of The Lakes at Centerra Metropolitan District Nos. 1, 2 and 3, which was March 18, 2026. Additionally, the District Coordinating Services Agreement stipulates that the District will own, operate and maintain all public improvements within the Districts. The Districts will transfer project funds, as they are requisitioned from bond proceeds, to the District as the District will pay for the construction or acquisition of such public improvements.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Expenditures

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative sustainability such as accounting/finance, district management/administration, audit, legal, insurance, and membership dues.

County Treasurer's Fees

County Treasurer's fees have been computed at 2% of property tax collections.

Capital Outlay

The District anticipates no infrastructure improvements during 2026

Debt and Leases

The District has the following outstanding bond issues:

On April 24, 2024, the District issued Limited Tax General Obligation Refunding Bonds, Series 2024A in the amount of $41,990,000 and on April 24, 2024, the District issued a Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B in the amount of $3,225,000. Series 2024A matures on December 15, 2054 and will bear interest at 5.00% per annum. Series 2024B matures on December 15, 2044 and will bear interest at 4.250%.

On May 2, 2022, the District issued a Taxable Junior Subordinate Limited Tax General Obligation Bonds, Series 2022D in the amount of $7,816,276. Proceeds of Series 2022D bonds were used to finance public improvements and to repay the developer for advances made to The Lakes at Metropolitan District No. 1 for costs associated with the provision of public improvements by District No. 1. Series 2022D matures on December 15, 2056 and bears no interest.

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2026, as defined under TABOR.