

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 7 (the "District")
HELD
DECEMBER 5, 2018**

A regular meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as "Board") was convened on Wednesday, the 5th day of December, 2018, at 4:00 P.M., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Mark A. Waggoner

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Elisabeth Cortese, Esq.; McGeady Becher P.C.

Thuy Dam and Jennifer Wear; CliftonLarsonAllen LLP

Rick Rome; Redland Consulting Group Inc. (via speakerphone for a portion of the meeting)

Brad Grimes; Brinkmann Constructors (via speakerphone for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Attorney Cortese noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was further noted by Attorney Cortese that all Directors' Disclosure Statements have been filed and no additional conflicts were disclosed.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board determined to conduct the meeting within 20 miles of its boundaries at the above stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

CONSENT AGENDA

The Board considered the following actions:

- Approval of Minutes of the August 7, 2018 special meeting.
- Consider scheduling regular meeting dates for 2019 on the first Wednesday in April, August and December 2019 at 4:00 p.m., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado. Consider adoption of Resolution No. 2018-12-01; Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices.
- Ratify approval of payment of claims for the period beginning August 1, 2018 through November 30, 2018 totaling \$2,630,254.96.
- Approve Engagement of Stratagem P. C. to perform the 2018 Audit, in the amount of \$3,850.

Following review, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

Property Insurance: The Board authorized staff to add the additional improvements to the District's property insurance policy.

FINANCIAL MATTERS

Unaudited Financial Statements: Ms. Dam presented and reviewed the unaudited financial statements for the period ending September 30, 2018.

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Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2018 were accepted, as presented.

Bill.Com Payment Process: Ms. Dam discussed with the Board the bill.com payment process. The Board deferred discussion.

2018 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, Director Tamblyn moved to adopt Resolution No. 2018-12-02 to Amend the 2018 Budget, Director Waggoner seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-02 to Amend the 2018 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2019 Budget: The President opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Ms. Dam reviewed the estimated 2018 expenditures and the proposed 2019 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2018-12-03 to Adopt the 2019 Budget and Appropriate Sums of Money and Resolution No. 2018-12-04 to Set Mill Levies, (for the General Fund at 11.055 mills and Debt Service Fund at 44.222 mills for a total mill levy of 55.277 mills). Upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote,

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unanimously carried, Resolution Nos. 2018-12-03 and 2017-12-04 were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. The District Accountant was directed to transmit the Certification of Mill Levies to the Board of County Commissioners of the Adams County and the Division of Local Government, not later than December 15, 2018. The District Accountant was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification: Ms. Dam discussed with the Board the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners and other interested parties.

LEGAL MATTERS

Rules and Regulations for Construction Activities: The Board deferred discussion.

CAPITAL MATTERS

Prairie Center Village I Phase IA and IB Improvements: Mr. Grimes reviewed pay applications and change orders with the Board.

Construction Contract with BEMAS Construction:

- a. Change Order No. A6 work omitted.
- b. Change Order No. A7 for an increase of \$11,410.
- c. Change Order No. A8 for an increase of \$4,980.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the above Change Orders.

Construction Contract with Scott Contracting: There were no change orders at this time.

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Construction Contract with ESCO Construction Company:

- a. Change Order No. B-3 for an increase of \$77,728.81.
- b. Change Order No. B-4 for an increase of \$15,760.00.
- c. Change Order No. B-5 for an increase of \$15,840.00.
- d. Change Order No. B-6 for an increase of \$7,576.00.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the above Change Orders.

Construction Contract with Rocky Mountain Excavating: There were no change orders at this time.

Construction Contract with Colorado Designscares, Inc.:

- a. Change Order No. E2 for an increase of \$6,822.50.
- b. Change Order No. E3 for an increase of \$49,745.50

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the above Change Orders.

Construction Management Agreement with Brinkmann Constructors: The Board deferred discussion.

OPERATIONS AND MAINTENANCE

Operations and Maintenance Services: The Board discussed future operations and maintenance services for the District. No action was taken by the Board at this time.

OTHER BUSINESS

Addendum to Management Services Agreement: The Board reviewed the Addendum to the Management Services Agreement with Special District Management Services, Inc.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Addendum to the Management Services Agreement with Special District Management Services, Inc. for design review and covenant control services, subject to final review by Director Tamblyn and Legal Counsel.

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Design Guidelines and Rules and Regulations: The Board reviewed the Design Guidelines and Rules and Regulations.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Design Guidelines and Rules and Regulations, subject to final review by Director Tamblyn and Legal Counsel.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 5, 2018
MINUTES OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 BY
THE BOARD OF DIRECTORS SIGNING BELOW:



Mike Tamblyn



Mark A. Waggoner

RESOLUTION NO. 2018-12-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

- A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.
- C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.
- D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7 of the County of Adams, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.
2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.
3. That regular meetings of the District Board of the Prairie Center Metropolitan District No. 7 for the year 2019 shall be held on April 3, August 7, and December 4 at 4:00 p.m., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado.
4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

- (a) At the Southwest corner of 144th Avenue and South 27th Avenue
- (b) At the Northwest corner of 144th Avenue and South 27th Avenue

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S.

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.


RESOLUTION APPROVED AND ADOPTED on December 5, 2018.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: 

President

Attest:



Secretary

RESOLUTION NO. 2018 - 12 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 ("District") has appointed the District Accountant to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2018, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Prairie Center Metropolitan District No. 7 for the 2019 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5th day of December, 2018.



A handwritten signature in blue ink, appearing to be "ATJ", is written above a horizontal line.

Secretary

EXHIBIT A
(Budget)



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Prairie Center Metropolitan District No. 7

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Prairie Center Metropolitan District No. 7 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Prairie Center Metropolitan District No. 7.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 17, 2019



An independent member of Nexia International

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (30,301)	\$ -
REVENUES			
Property taxes	-	-	377
Specific ownership tax	-	-	23
Developer advance	-	7,419,083	3,084,920
Other revenue	-	218	-
Total revenues	<u>-</u>	<u>7,419,301</u>	<u>3,085,320</u>
Total funds available	<u>-</u>	<u>7,389,000</u>	<u>3,085,320</u>
EXPENDITURES			
General Fund	11,622	61,480	290,000
Debt Service Fund	-	-	10
Capital Projects Fund	18,679	7,327,520	2,795,000
Total expenditures	<u>30,301</u>	<u>7,389,000</u>	<u>3,085,010</u>
Total expenditures and transfers out requiring appropriation	<u>30,301</u>	<u>7,389,000</u>	<u>3,085,010</u>
ENDING FUND BALANCES	<u>\$ (30,301)</u>	<u>\$ -</u>	<u>\$ 310</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSED VALUATION

Vacant land	\$ 10	\$ 20	\$ 6,820
Certified Assessed Value	\$ 10	\$ 20	\$ 6,820

MILL LEVY

General	0.000	11.055	11.055
Debt Service	0.000	44.222	44.222
Total mill levy	0.000	55.277	55.277

PROPERTY TAXES

General	\$ -	\$ -	\$ 75
Debt Service	-	-	302
Levied property taxes	-	-	377
Budgeted property taxes	\$ -	\$ -	\$ 377

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ 75
Debt Service	-	-	302
	\$ -	\$ -	\$ 377

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (11,622)	\$ -
REVENUES			
Property taxes	-	-	75
Specific ownership tax	-	-	5
Developer advance	-	72,404	289,920
Other revenue	-	218	-
Total revenues	-	72,622	290,000
Total funds available	-	61,000	290,000
EXPENDITURES			
General and administrative			
Accounting	1,606	8,000	12,000
Accounting - audit prep	-	240	-
Accounting - budget prep	-	320	-
Audit	-	-	1,600
County Treasurer's fee	-	-	1
Dues and membership	-	244	500
Insurance	-	8,225	9,500
District management	358	6,000	12,000
Legal services	9,658	32,000	20,000
Miscellaneous/Contingency	-	5,971	9,399
Operations and maintenance			
Landscape maintenance	-	-	225,000
Total expenditures	11,622	61,000	290,000
Total expenditures and transfers out requiring appropriation	11,622	61,000	290,000
ENDING FUND BALANCES	\$ (11,622)	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	302
Specific ownership tax	-	-	18
Total revenues	<u>-</u>	<u>-</u>	<u>320</u>
Total funds available	<u>-</u>	<u>-</u>	<u>320</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	5
Miscellaneous/Contingency	-	-	5
Total expenditures	<u>-</u>	<u>-</u>	<u>10</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>10</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (18,679)	\$ -
REVENUES			
Developer advance	-	7,346,679	2,795,000
Total revenues	-	7,346,679	2,795,000
Total funds available	-	7,328,000	2,795,000
EXPENDITURES			
General and Administrative			
Accounting	-	12,000	18,000
Accounting - audit prep	-	360	-
Accounting - budget prep	-	480	-
Audit	-	-	2,400
District management	213	9,000	18,000
Legal services	-	48,000	30,000
Miscellaneous/Contingency	-	9,760	49,864
Capital Projects			
Project management fee	7,279	243,400	68,736
Project management fee interest	1	5,000	8,000
Village 1 park	2,115	1,000,000	600,000
Village 1 collector roads	9,071	6,000,000	2,000,000
Total expenditures	18,679	7,328,000	2,795,000
Total expenditures and transfers out requiring appropriation	18,679	7,328,000	2,795,000
ENDING FUND BALANCES	\$ (18,679)	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 7 (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was formed by order and decree of the District Court for Adams County on May 22, 2006. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translator and mosquito and pest control services.

Concurrently with the formation of the District, the City approved service plans for Prairie Center Metropolitan District Nos. 3, 4, 5, 6, 8, 9 and 10.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by District No. 1 to \$750,000,000.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative as well as capital expenditures will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

The change in assessment ratio from 7.96% to 7.2% allows the District to adjust its mill levy to offset the decrease in revenues. Accordingly, the District adjusted its mill levy to 11.055 for operations and 44.222 for debt service.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Expenditures

General, Administrative and Operating Expenditures

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and other administrative expenses. Operating expenditures include landscaping maintenance costs.

Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

This information is an integral part of the accompanying budget.

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Prairie Center Metropolitan District No. 7, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 held on December 5, 2018.

By: 
Secretary

RESOLUTION NO. 2018 - 12 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 (“District”) has adopted the 2019 annual budget in accordance with the Local Government Budget Law on December 5, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7:

1. That for the purposes of meeting all general fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 5th day of December, 2018.



Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Adams County, Colorado.

On behalf of the Prairie Center Metropolitan District No. 7,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Prairie Center Metropolitan District No. 7,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 6,820 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: \$ 6,820 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/12/2018 for budget/fiscal year 2019.
(no 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	11.055 mills	\$ 75
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.055 mills	\$ 75
3. General Obligation Bonds and Interest ^J	44.222 mills	\$ 302
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]	55.277 mills	\$ 377

Contact person: (print) Christine Harwell Daytime phone: (303) 779-5710
Signed: Christine Harwell Title: Accountant for the District

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) 864-7720.

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: For issuance in future years.
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: 44.222
Revenue: \$302

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.