

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Tamblyn	President	2022/May 2022
Mark A. Waggoner	Vice President/Treasurer	2023/May 2023
VACANT		2023/May 2022
VACANT		2022/May 2022
VACANT		2022/May 2022
Ann E. Finn	Secretary	

DATE: **December 2, 2020**

TIME: **4:00 p.m.**

LOCATION / MANNER: *Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:*

Join Zoom Meeting

<https://us02web.zoom.us/j/84857618812?pwd=a1B2cHp4Sk80aFpEdkdmWEk1eDZlUT09>

Meeting ID: 848 5761 8812

Passcode: 268105

One tap mobile

+16699006833,,84857618812#,,,,,0#,,268105# US (San Jose)

+12532158782,,84857618812#,,,,,0#,,268105# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

Meeting ID: 848 5761 8812

Passcode: 268105

Find your local number: <https://us02web.zoom.us/j/84857618812?pwd=a1B2cHp4Sk80aFpEdkdmWEk1eDZlUT09>

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

- B. Confirm quorum; Approve agenda; Confirm location/manner of meeting and posting of meeting notices.
-

- C. **CONSENT AGENDA** – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Approve Minutes of the July 22, 2020 and October 14, 2020 Special Meetings (enclosures).
 - Ratify approval of payment of claims for the period beginning October 1, 2020 through November 30, 2020 totaling \$277,185.37 (enclosure).
 - Authorize District Manager to post transparency notice on the SDA Website pursuant to Section 32-1-809, C.R.S.
 - Ratify approval of Service Agreement for concrete repair work between the District and Three Brothers Concrete, Inc. (enclosure).
-

- D. Discuss business to be conducted in 2021. Consider adoption of Resolution of the Board of Directors of Prairie Center Metropolitan District No. 3 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).
-

II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
-

III. FINANCIAL MATTERS

- A. Review and accept the unaudited financial statements as of September 30, 2020 (enclosure).
-

- B. Approve Engagement of Wipfli LLP to perform the 2020 Audit, in the amount of \$4,300 (enclosure).
-

- C. Conduct Public Hearing to consider Amendment to 2020 Budget and (if necessary) consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures.
-

- D. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolutions to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies (for General Fund _____, Debt Service Fund _____ and Other Fund(s) _____ for a total mill levy of _____) (enclosures – preliminary assessed valuation, resolutions and draft 2021 Budget).
-

- E. Consider authorizing 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.
-

- F. Consider appointment of District Accountant to prepare the 2022 budget.
-

IV. LEGAL MATTERS

- A. Review and consider approval of Operations Financing Intergovernmental Agreement between Prairie Center Metropolitan District No. 1 and Prairie Center Metropolitan District No. 3 (to be distributed).
-

V. CAPITAL IMPROVEMENTS

- A. Construction Status Report for the Prairie Center Retail 3 Project.
-

VI. OPERATIONS

- A. Consider approval of 2021 Service Agreements as follows:
 - 1. Site Lighting Services (Colorado Lighting, Inc.).
 - 2. Landscape Maintenance (Vargas Property Services, Inc.).
 - 3. Fountain Maintenance (Pinnacle Landscape and Xeriscape, Inc.).
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VII. OTHER MATTERS

A. _____

VIII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2020.**

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 3 (the “District”)
HELD
JULY 22, 2020**

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 3 (referred to hereafter as “Board”) was convened on Wednesday, the 22nd day of July, 2020, at 11:00 A.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. There was one person present at the physical location at the Construction Trailer, 16888 E. 144th Avenue, Brighton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn (in person at the meeting location and also via phone)
Mark A. Waggoner (via phone)

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via phone)

Paula Williams, Esq. and Kathy Kanda, Esq.; McGeady Becher P.C (via phone)

Thuy Dam; CliftonLarsonAllen LLP (via phone)

**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 Williams requested members of the Board 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 Williams that all Directors’ Disclosure Statements have been filed and no additional conflicts were disclosed.

**ADMINISTRATIVE
MATTERS**

Quorum/Meeting Location / Posting of Meeting Notices: Attorney Williams confirmed the presence of a quorum. 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. The Board determined that, due to concerns regarding

RECORD OF PROCEEDINGS

the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means, and encouraged public participation via telephone. There was one person at the physical meeting location as posted. The Board further noted that notice of the time, date and location was duly posted and that that no objections to the telephonic manner of the meeting, or any requests that the telephonic manner of the meeting be changed have been received from taxpaying electors within the District boundaries.

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

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

May 5, 2020 Regular Election: Ms. Finn noted for the Board that the May 5, 2020 election was cancelled by the Designated Election Official, as permitted under Colorado law, because there were not more candidates than positions available on the Board of Directors. Director Waggoner was deemed elected to a 3-year term ending in May 2023. The Board discussed the vacancies on the Board.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Tamblyn seconded by Director Waggoner and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Michael Tamblyn
Treasurer	Mark Waggoner
Secretary	Ann E. Finn

Administrative Plans: The Board discussed the Administrative Plans prepared for submittal to the City of Brighton.

Following discussion, upon motion duly made by Director Tamblyn seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized the District Secretary to update, sign and submit to the City of Brighton the Administrative Plans for Prairie Center Metropolitan District Nos. 2, 3, 4, 6, 8 and 10.

RECORD OF PROCEEDINGS

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the December 4, 2019 regular meeting.
- Ratify appointment of District Accountant to prepare the 2021 Budget and set date for public hearing to adopt the 2021 Budget for December 2, 2020 at 4:00 p.m. at the regular meeting location.
- Ratify approval of payment of claims for the period beginning December 23, 2019 through June 23, 2020 totaling \$699,308.61.

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

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

2019 Audit: Ms. Dam reviewed the 2019 Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements and authorized execution of the Representations Letter.

LEGAL MATTERS

Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7: Attorney Kanda reviewed with the Board the Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7.

Intergovernmental Agreement Regarding Confidentiality of Public Improvements Fee Information between the District and the City of Brighton: Attorney Kanda reviewed with the Board the Intergovernmental Agreement

RECORD OF PROCEEDINGS

Regarding Confidentiality of Public Improvements Fee Information between the District and the City of Brighton.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement Regarding Confidentiality of Public Improvements Fee Information between the District and the City of Brighton, subject to final comment and revision by Legal Counsel.

Prairie Center Metropolitan District No. 7 Limited Tax General Obligation Bonds, Series 2020: Attorney Kanda discussed with the Board the issuance of the Prairie Center Metropolitan District No. 7 Limited Tax General Obligation Bonds, Series 2020.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized any necessary actions by the District that may be required in connection with the issuance of the Prairie Center Metropolitan District No. 7 Limited Tax General Obligation Bonds, Series 2020.

Operations Financing Intergovernmental Agreement between the District and Prairie Center Metropolitan District No. 1: Attorney Kanda discussed with the Board a possible Operations Financing Intergovernmental Agreement between the District and Prairie Center Metropolitan District No. 1.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized Legal Counsel to prepare an agreement and authorized Director Tamblyn to execute the agreement as President of the District.

CAPITAL IMPROVEMENTS

Construction Status Report for Prairie Center Retail 3 Project: Director Tamblyn reported to the Board that the Retail 3 Project is 100% complete, the retainage has been released, and the project has received initial acceptance by the City of Brighton.

OPERATIONS

Service Agreement for Landscape Maintenance Services for Village No. 5 Park between the District and Vargas Property Services, Inc.: Director Tamblyn reviewed with the Board a Service Agreement for Landscape Maintenance Services for Village No. 5 Park between the District and Vargas Property Services, Inc.

RECORD OF PROCEEDINGS

Following review, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Landscape Maintenance Services for Village No. 5 Park between the District and Vargas Property Services, Inc.

Service Agreement for Remote Water Level Monitoring and Equipment between the District and Colorado Water Well Corp: Director Tamblyn reviewed with the Board a Service Agreement for Remote Water Level Monitoring and Equipment between the District and Colorado Water Well Corp.

Following review, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Remote Water Level Monitoring and Equipment between the District and Colorado Water Well Corp.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 3 (the “District”)
HELD
OCTOBER 14, 2020**

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 3 (referred to hereafter as “Board”) was convened on Wednesday, the 14th day of October, 2020, at 4:15 P.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn (via phone)
Mark A. Waggoner (via phone)

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via phone)

Paula Williams, Esq.; McGeady Becher P.C (via phone)

Thuy Dam; CliftonLarsonAllen LLP (via phone)

**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 Williams requested members of the Board 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 Williams that all Directors’ Disclosure Statements have been filed and no additional conflicts were disclosed.

**ADMINISTRATIVE
MATTERS**

Confirm Quorum/Meeting Location / Posting of Meeting Notices: Attorney Williams noted that a quorum was present. 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. The Board determined that, due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control

RECORD OF PROCEEDINGS

of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means without any individuals (neither District Representatives nor the General Public) attending in person. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed have been received from any taxpaying electors within the District boundaries.

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

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

Consent Agenda: The Board considered the following actions:

- Ratify approval of payment of claims for the period beginning June 23, 2020 through September 30, 2020 totaling \$206,329.67.

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

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

2021 Budget: Ms. Dam noted for the Board that the draft 2021 Budget will be distributed to the Board by October 15, 2020.

PIF Collection: Ms. Dam noted that she is working with the City of Brighton concerning PIF collections.

LEGAL MATTERS

There were no legal matters to discuss at this time.

CAPITAL IMPROVEMENTS

Construction Status Report for Prairie Center Retail 3 Project: Director Tamblyn reported to the Board that the project is 100% complete.

OPERATIONS

Service Agreement for Concrete and Asphalt Work between the District and Alliance Commercial Maintenance Services, Inc.: Ms. Finn reviewed with the

RECORD OF PROCEEDINGS

Board a Service Agreement for Concrete and Asphalt Work between the District and Alliance Commercial Maintenance Services, Inc. It was noted that each scope of work is to be billed/invoiced separately as noted below:

Asphalt Replacement (2") - \$108,920
Asphalt Replacement (6") - \$32,690
Concrete Work - \$28,042

Following review, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Service Agreement for Concrete and Asphalt Work between the District and Alliance Commercial Maintenance Services, Inc., in the total amount of \$169,652.

Snow Removal Services between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance: Ms. Finn reviewed with the Board the Snow Removal Services Agreement between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance.

Following review, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Snow Removal Services Agreement between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

Prairie Center Metropolitan District No. 3

Check List

All Bank Accounts

October 1, 2020 - November 24, 2020

Check Number	Check Date	Payee	Amount
Vendor Checks			
1533	10/19/20	Alliance CMS	169,652.00
1534	10/19/20	CO Special Dist. Prop & Liab Pool	2,250.00
1535	10/19/20	K Painting, LLC	1,900.00
1536	10/19/20	McGeady Becher, PC	1,130.00
1537	10/19/20	Pinnacle Landscape & Xeriscape, Inc.	1,225.00
1538	10/19/20	Prairie Management LLC	3,000.00
1539	10/19/20	Snow Pros, Inc	4,499.20
1540	10/19/20	Special District Mgmt. Services, Inc	1,180.14
1541	10/19/20	Utility Notification Center of CO	213.07
1542	10/19/20	Vargas Property Service	9,946.41
1543	11/16/20	Alliance CMS	27,965.00
1544	11/16/20	CliftonLarsonAllen LLP	9,218.21
1545	11/16/20	Colorado Community Media Group	22.44
1546	11/16/20	Colorado Lighting, Inc,	1,063.08
1547	11/16/20	K Painting, LLC	475.00
1548	11/16/20	McGeady Becher, PC	2,180.00
1549	11/16/20	Prairie Management LLC	3,000.00
1550	11/16/20	Snow Pros, Inc	15,953.80
1551	11/16/20	Special District Mgmt. Services, Inc	1,863.16
1552	11/16/20	Utility Notification Center of CO	183.27
1553	11/16/20	Vargas Property Service	9,986.34
ACH	11/24/20	United Power	5,427.89
ACH	10/26/20	United Power	4,851.36
Vendor Check Total			<u>277,185.37</u>
Check List Total			<u><u>277,185.37</u></u>

Check count = 23

SERVICE AGREEMENT FOR CONCRETE REPAIR WORK

THIS SERVICE AGREEMENT FOR ASPHALT INFRARED REPAIR WORK (“**Agreement**”) is entered into and effective as of the 10th day of November, 2020, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **THREE BROTHERS CONCRETE, INC.**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit C** attached hereto and made a part hereof by this reference.

1.6 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain

reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.6, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed \$14,012.00, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit D** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the “**Indemnitees**”), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys’ fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least “A:XIII” by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant’s cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers’ Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers’ Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer’s Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers’ Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the

insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and non-owned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

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

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Prairie Center Metropolitan District No. 3
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228
Phone: 303-987-0835
Fax: 303-987-2032
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203
Phone: (303) 592-4380
Fax: (303) 592-4385
Email: pwilliams@specialdistrictlaw.com
Attn: Paula Williams

To Consultant: Three Brothers Concrete, Inc.
8150 Steele Street
Thornton, CO 80229
Phone: 720-872-0443
Fax: 303-386-3646
Email:
Attn:

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

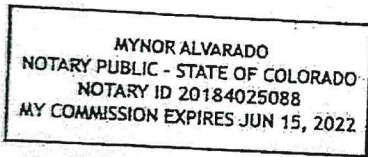
Consultant:
THREE BROTHERS CONCRETE, INC.
By: Oscar Alvarado
Its: Project Manager

STATE OF COLORADO)
) ss.
COUNTY OF Thornton)

The foregoing instrument was acknowledged before me this 10th day of November, 2020, by Oscar Alvarado, as Project Manager of TBC.

Witness my hand and official seal.

My commission expires: 6/15/22



[Signature]
Notary Public

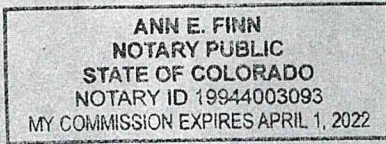
District:
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
By: [Signature]
President

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 19th day of November, 2020, by Mike Tamblyn, as President of Prairie Center Metropolitan District No. 3.

Witness my hand and official seal.

My commission expires: 4/1/22



[Signature]
Notary Public

**EXHIBIT A AND B
SCOPE OF SERVICES/ COMPENSATION**

THREE BROTHERS CONCRETE, INC

8150 Steele Street, Thornton, CO 80229
Tel. 720-872-0443

Quote

Date	Quote #
10/14/2020	8618

Name / Address
Brinkmann Constructors 3800 Lewison Street SUITE 400 Aurora, Colorado 80011 303.657.9700 - phone

P.O. No.	Terms	Quote Expires
	Net 60	12/13/2020

Description	Quote Total
PRAIRIE CENTER RETAIL 3 (BRIGHTON, CO) 20% PREFERRED CUSTOMER DISCOUNT	
SITE DEMOLITION INCLUDES: DEMOLITION OF CURB, GUTTER AND SIDEWALK, EQUIPMENT (BREAKER, BOBCAT) DUMPING AND HAULING FEES, SAW CUTS.	4,464.00
SITE CONCRETE INCLUDES: SIDEWALK, CURB & GUTTER, DOWELS, MATERIALS (EPOXY, DOWELS, CONCRETE, CURE, EXPANSION BOARD), DRILL AND INSTALL DOWELS WITH EPOXY, INSTALL EXPANSION BOARD, FINE GRADE +/- .10, SAWCUTS, INSTALL CURE, FORM, POUR & FINISH.	9,548.00
Subtotal	

Total

Fax # 303-386-3646 Phone # 720-872-0443

THREE BROTHERS CONCRETE, INC

8150 Steele Street, Thornton, CO 80229
Tel. 720-872-0443

Quote

Date	Quote #
10/14/2020	8618

Name / Address
Brinkmann Constructors 3800 Lewison Street SUITE 400 Aurora, Colorado 80011 303.657.9700 - phone

P.O. No.	Terms	Quote Expires
	Net 60	12/13/2020

Description	Quote Total
<p>EXCLUDED UNLESS LISTED ABOVE: MATERIALS, CURE, CRANE FEES, EXPANSION JOINTS, FINE GRADING +/- .010, GENERATOR, GROUT UNDER STEEL COLUMNS, MATERIAL TESTING, PERMIT/BOND/LICENSE FEES, PUMP FEES, SAW CUTS, SEALANTS, SOIL COMPACTION, HOISTING, VAPOR BARRIER, WEATHER PROTECTION, AFTER POUR CONCRETE PROTECTION (GC)</p> <p>WINNER OF THE 2009 AWARD OF EXCELLENCE FROM THE AMERICAN CONCRETE INSTITUTE, COST CONTAINMENT CERTIFIED, DBE CERTIFICATION 6612</p> <p>BOND RATES SLIDING SCALE FIRST 100K 2.5% 100K TO 500K 1.5 % 500K TO 1M 1%</p>	
Subtotal	\$14,012.00

Total	\$14,012.00
--------------	-------------

I accept this quote and will pay upon completion:

Date

Fax # 303-386-3646 Phone # 720-872-0443

EXHIBIT C
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT D
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$	Original Term: Expires , 20
Increase of this Change Order: \$	New Term: Expires , 20
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders:

APPROVED:	APPROVED:
By: _____	By: _____
District	Consultant

RESOLUTION NO. 2020-12-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 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)(I), 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 public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online on a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. 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.

F. 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. 3 (the "**District**"), Adams County, 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 of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on _____ at _____, at the Kacey Building 1201 Auraria Parkway in Denver County, 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. That the District has established the following District Website, <https://www.colorado.gov/pcmd3>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) At the southwest corner of 144th Avenue and South 27th Avenue

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

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on December 2, 2020.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	Debt Service - PPI/DPI	Debt Service - PRI	Capital Projects	Capital Projects - Stormwater	Total
ASSETS						
Cash - 1st Bank	\$ 1,323,756	\$ -	\$ -	\$ 522,807	\$ -	\$ 1,846,563
UMB - Surplus	-	111,411	-	-	-	111,411
UMB - O&M	-	490,098	-	-	-	490,098
UMB - 2007A PPI Interest	-	503	-	-	-	503
UMB - Admin Costs	-	1	-	-	-	1
UMB - 2017A Reserve	-	3,409,457	-	-	-	3,409,457
UMB - 2017B Reserve	-	163,515	-	-	-	163,515
UMB - 2017 Non PIF Revenue	-	434,246	-	-	-	434,246
UMB - 2017A Interest	-	791,714	-	-	-	791,714
UMB - 2017B Interest	-	53,505	-	-	-	53,505
UMB - 2017 Shared Revenue - Credit PIF	-	541,860	-	-	-	541,860
UMB - 2017 Add-On PIF Revenue	-	561,781	-	-	-	561,781
UMB - 2018 Park & Rec Reserve	-	-	347,130	-	-	347,130
UMB - 2018 Park & Rec Revenue	-	-	170,854	-	-	170,854
UMB - 2018 Park & Rec Bond Interest	-	-	60	-	-	60
UMB - 2018 Park & Rec Bond Prin	-	-	4,042	-	-	4,042
UMB - 2017A Principal	-	800,073	-	-	-	800,073
UMB - 2017B Principal	-	40,021	-	-	-	40,021
Due from District No. 4	7,893	5,638	-	-	-	13,531
Due from District No. 5	522	2,088	-	-	-	2,610
Accounts receivable	-	-	-	6,333	-	6,333
Accounts receivable - Add-on PIF	-	347,719	-	-	-	347,719
Accounts receivable - Credit PIF	-	354,044	88,780	-	-	442,824
Prepaid insurance	2,250	-	-	-	-	2,250
TOTAL ASSETS	<u>\$ 1,334,421</u>	<u>\$ 8,107,674</u>	<u>\$ 610,866</u>	<u>\$ 529,140</u>	<u>\$ -</u>	<u>\$ 10,582,101</u>
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts payable	\$ 50,369	\$ 4,500	\$ -	\$ 1,363	\$ -	\$ 56,232
Due to District No. 7	-	-	-	6,106	-	6,106
Project management fee payable - DPI	-	-	-	900,434	-	900,434
Project management fee payable - PRI	-	-	-	1,769	-	1,769
Total Liabilities	<u>50,369</u>	<u>4,500</u>	<u>-</u>	<u>909,672</u>	<u>-</u>	<u>964,541</u>
FUND BALANCES						
Unassigned	1,284,052	8,103,174	610,866	(380,532)	-	9,617,560
Total Fund Balances	<u>1,284,052</u>	<u>8,103,174</u>	<u>610,866</u>	<u>(380,532)</u>	<u>-</u>	<u>9,617,560</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,334,421</u>	<u>\$ 8,107,674</u>	<u>\$ 610,866</u>	<u>\$ 529,140</u>	<u>\$ -</u>	<u>\$ 10,582,101</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Other revenue	\$ 132,000	\$ 152,009	\$ 20,009
Transfer from District No. 1	1,517,000	-	(1,517,000)
Transfer from District No. 4	1,172,968	1,128,341	(44,627)
Transfer from District No. 5	80,575	64,496	(16,079)
Transfer from District No. 10	283,297	272,841	(10,456)
TOTAL REVENUES	3,185,840	1,617,687	(1,568,153)
EXPENDITURES			
Accounting - recurring	58,500	44,653	13,847
Audit	4,410	4,410	-
District management	38,700	12,136	26,564
Legal	54,000	22,830	31,170
Accounting - budget prep	9,000	5,804	3,196
Accounting - audit prep/exemptions	16,200	12,099	4,101
Accounting - non-recurring projects	-	12,749	(12,749)
Accounting - PIF collection fees	19,800	14,522	5,278
District asset management	36,000	27,000	9,000
Dues and memberships	3,500	2,814	686
Insurance and bonds	40,000	33,873	6,127
Miscellaneous/Contingency	8,890	7,734	1,156
Detention pond maintenance	40,000	4,500	35,500
Election expense	-	1,109	(1,109)
Street sweeping	10,000	9,128	872
Landscaping	150,000	110,243	39,757
Streets repairs and maintenance	150,000	37,129	112,871
Water feature maintenance	25,000	7,870	17,130
Electric - site lighting	18,000	17,170	830
Electric - water pump	15,000	12,234	2,766
Electric - street lights, other	18,000	9,419	8,581
Snow removal	130,000	71,078	58,922
Water and sewer	10,000	5,745	4,255
Site lighting	250,000	124,877	125,123
TOTAL EXPENDITURES	1,105,000	611,126	493,874
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,080,840	1,006,561	(1,074,279)
OTHER FINANCING SOURCES (USES)			
Repayment of Developer advance	(1,200,000)	-	1,200,000
Transfers to CPF	(1,000,000)	-	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,200,000)	-	2,200,000
NET CHANGE IN FUND BALANCES	(119,160)	1,006,561	1,125,721
FUND BALANCES - BEGINNING	395,755	277,490	(118,265)
FUND BALANCES - ENDING	\$ 276,595	\$ 1,284,051	\$ 1,007,456

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

DEBT SERVICE - PPI/DPI FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 100,000	\$ 31,772	\$ (68,228)
Facilities fees	40,000	-	(40,000)
Credit public improvement fees - PPI	1,950,000	1,408,957	(541,043)
Add-on public improvement fees - DPI	2,000,000	1,432,290	(567,710)
Transfer from District No. 4	837,836	805,959	(31,877)
Transfer from District No. 5	322,520	257,999	(64,521)
Credit permit fees	50,000	-	(50,000)
Add-on permit fees	50,000	-	(50,000)
Shared sales tax increment	475,000	-	(475,000)
TOTAL REVENUES	<u>5,825,356</u>	<u>3,936,977</u>	<u>(1,888,379)</u>
EXPENDITURES			
Miscellaneous/Contingency	6,744	-	6,744
Bond interest - Series 2007	2,400,000	-	2,400,000
Bond interest - Series 2017	2,343,256	1,171,628	1,171,628
Bond principal - Series 2017	840,000	-	840,000
Paying agent fees	6,000	-	6,000
TOTAL EXPENDITURES	<u>5,596,000</u>	<u>1,171,628</u>	<u>4,424,372</u>
NET CHANGE IN FUND BALANCES	229,356	2,765,349	2,535,993
FUND BALANCES - BEGINNING	<u>5,311,721</u>	<u>5,337,825</u>	<u>26,104</u>
FUND BALANCES - ENDING	<u>\$ 5,541,077</u>	<u>\$ 8,103,174</u>	<u>\$ 2,562,097</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

DEBT SERVICE - PRI FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 10,000	\$ 2,898	\$ (7,102)
Credit public improvement fees - PRI	487,500	352,508	(134,992)
Credit permit fees	12,500	-	(12,500)
TOTAL REVENUES	510,000	355,406	(154,594)
EXPENDITURES			
Paying agent fees	3,500	3,500	-
Bond interest - Series 2018	206,794	103,781	103,013
Bond principal - Series 2018	220,000	115,000	105,000
Contingency	14,706	-	14,706
TOTAL EXPENDITURES	445,000	222,281	222,719
NET CHANGE IN FUND BALANCES	65,000	133,125	68,125
FUND BALANCES - BEGINNING	576,895	477,741	(99,154)
FUND BALANCES - ENDING	\$ 641,895	\$ 610,866	\$ (31,029)

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PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

CAPITAL PROJECTS FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
TOTAL REVENUES			
EXPENDITURES			
PPI improvements	450,000	11,914	438,086
PPI overhead	22,290	14,432	7,858
DPI overhead	115,000	33,003	81,997
PRI overhead	100	46	54
Miscellaneous/Contingency	862,610	-	862,610
TOTAL EXPENDITURES	1,450,000	59,395	1,390,605
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,450,000)	(59,395)	1,390,605
OTHER FINANCING SOURCES (USES)			
Transfer from CPF - Stormwater	450,000	258,123	(191,877)
Transfers from GF	1,000,000	-	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,450,000	258,123	(1,191,877)
NET CHANGE IN FUND BALANCES	-	198,728	198,728
FUND BALANCES - BEGINNING	-	(579,259)	(579,259)
FUND BALANCES - ENDING	\$ -	\$ (380,531)	\$ (380,531)

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

CAPITAL PROJECTS FUND EXPENDITURE DETAILS

	Streets	Water	Sanitary Sewer	Traffic and Safety	Parks and Recreation	Storm Drainage	Total Improvements	Overhead
PPI Expenditures								
Retail Three	\$ 5,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,770	\$ -
Retail Four - Road Extension	6,144	-	-	-	-	-	6,144	-
Accounting - recurring	-	-	-	-	-	-	-	4,961
Audit	-	-	-	-	-	-	-	490
District management	-	-	-	-	-	-	-	1,426
Legal	-	-	-	-	-	-	-	2,537
Accounting - budget prep	-	-	-	-	-	-	-	645
Accounting - audit prep/exemptions	-	-	-	-	-	-	-	1,345
Accounting - non-recurring projects	-	-	-	-	-	-	-	1,415
Accounting - PIF collection fees	-	-	-	-	-	-	-	1,613
Total PPI expenditures	<u>11,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,914</u>	<u>14,432</u>
DPI Expenditures								
DPI - Project management	-	-	-	-	-	-	-	5,944
DPI - Project management interest	-	-	-	-	-	-	-	27,059
Total DPI expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,003</u>
PRI Expenditures								
PRI - Project management interest	-	-	-	-	-	-	-	46
Total PRI expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
TOTAL YEAR TO DATE DPI, PPI, AND PRI EXPENDITURES								
	<u>\$ 11,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,914</u>	<u>\$ 47,481</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

CAPITAL PROJECTS - STORMWATER FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
City reimbursement - Outfall Channel	\$ 450,000	\$ 258,123	\$ (191,877)
TOTAL REVENUES	450,000	258,123	(191,877)
EXPENDITURES			
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	450,000	258,123	(191,877)
OTHER FINANCING SOURCES (USES)			
Transfers to CPF	(450,000)	(258,123)	191,877
TOTAL OTHER FINANCING SOURCES (USES)	(450,000)	(258,123)	191,877
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 3 (District) is a quasi-municipal corporation located within Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in June 2006, concurrently with Prairie Center Metropolitan District Nos. 4 – 10, pursuant to their Service Plans, all of which were approved by the City of Brighton (City), Colorado on February 21, 2006, and by orders and decrees issued by the District Court in and for Adams County, Colorado, and as modified on November 13, 2006. Prairie Center Metropolitan Districts Nos. 1 and 2 (respectively, District No. 1 and District No. 2) were organized prior to the establishment of the District and have proceeded with development and construction of public improvements. In order to increase development flexibility and to avoid unfairly burdening existing development with the costs of public infrastructure required in future phases, District Nos. 3 – 10 were formed and several inclusions and exclusions of property were completed to generally locate properties in the Initial Planned Development planned for commercial/retail uses in District No. 4 and properties in the Initial Planned Development planned for residential uses in District No. 5. Subsequent to the formation of the District, the obligations of District No. 1 and District No. 2 were assumed by the District as were the assets constructed by those Districts.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translators and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Credit Public Improvement Fees (Credit PIF)

A Comprehensive Agreement, entered into with the City of Brighton and other parties, allows the District to collect 1.25% Credit PIF, for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions, for use towards Primary Public Improvements (PPI). Primary Public Improvements include major and minor arterial streets and related landscaping and trails, traffic signals, certain potable and non-potable water distribution lines, regional/community/neighborhood parks, trails, and open spaces. The maximum amount of PPI costs ("Cap Amount") that the District can finance from the Credit PIF is approximately \$146 million.

Add-On Public Improvement Fees (Add-on PIF)

The Comprehensive Agreement also allows the District to collect 1% Add-On PIF to finance any other District Public Improvements.

Net Investment Income

Investment earned on the District's available funds has been estimated based on historical interest earnings.

Transfers from Prairie Center Metropolitan District Nos. 1, 4, 5, and 10

Pursuant to a Capital Pledge Agreement with Prairie Center Metropolitan District Nos. 4 and 5 (Taxing Districts), the District will receive property taxes and specific ownership taxes collected by the Taxing Districts. The debt service tax revenues to be transferred from District Nos. 4 and 5 are pledged for the payment of principal and interest on bonds issued by the District. Further, pursuant to a Facilities Funding, Construction and Operations Agreement entered into by all Prairie Center Districts, District Nos. 4, 5 and 10 are obligated to remit to the District the tax revenues derived from Operation and Maintenance mill levy they imposed on properties within their respective Districts. The Operation and Maintenance tax revenues received by the District from District Nos. 4, 5 and 10 will be used to pay administrative expenditures incurred by all Districts. District No. 1 will transfer its property and specific ownership tax revenues, net of its own administrative expenditures, to District No. 3's General Fund as consideration for the benefits derived from the public improvements constructed, operated and maintained by District No. 3 which benefit the service area of District No. 1.

City Reimbursement

Pursuant to an intergovernmental agreement with the City of Brighton, the District anticipates receiving reimbursement for Outfall Channel Improvements. According to the Agreement, the District's costs for the design, financing and construction of the stormwater improvements are to be reimbursed by the City for certain stormwater impact fees.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Shared Sales Tax Increment

Pursuant to the Cooperation Agreement between the District, the City, and Brighton Urban Renewal Authority (Authority), collectively “the Parties”, if the taxable retail sales within the District are at least equal to \$150 million (but less than \$200 million) in any given calendar year, then the City shall be obligated to transfer to the Authority the applicable allocated increment amount which would be equal to 30% of the General Fund Sales Tax Incremental Revenues received by the City in that year, after the deduction of the City’s General Fund Sales Tax Base Amount and the appropriate share of costs and expenses. The Parties agree that no later than February 20 of each calendar year, the Authority shall remit to the District the allocated increment amount received by the Authority from the City.

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. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

Capital Outlay

The District anticipates infrastructure improvements during 2020 as reflected in the Capital Projects Fund.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017A and 2017B Limited Property Tax Supported Revenue Bonds. A debt amortization schedule for Series 2018 Bonds has not been provided as additional principal is being paid, in increments of \$5,000, based on excess funds available over the current interest due. Additionally, the District anticipates to pay a portion of the accrued interest on the Series 2007 Subordinate Bonds based on the amount of funds available; therefore, a scheduled amortization has not been included in the budget.

Debt and Leases

In June 2007, the District issued Series 2007A Subordinate and Series 2007B Subordinate Bonds in the total amount of \$43,515,000. The Bonds are special limited obligations of the District secured by and payable from the pledged revenues, subject in all respects to the prior lien in favor of the Senior Bonds. The Series 2007A Subordinate Bonds, in the amount of \$40,610,000, are term bonds due on December 15, 2031, at an interest rate of 9.50%. The Series 2007B Subordinate Bonds, in the amount of \$2,905,000, are term bonds due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. A portion of the Series 2007A and 2007B were refunded with the October 26, 2017 with the Series 2017 Bond issuance mentioned below.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

On October 26, 2017, the District refunded the Limited Property Tax Supported Revenue Bonds, Series 2006A & 2006B (Series 2006 Bonds) and a portion of the Subordinate Limited Property Tax Supported Revenue Bonds, Series 2007A & 2007B (Series 2007 Bonds) by the issuance of \$49,275,000 Limited Property Tax Supported Revenue Bonds, Series 2017A & 2017B (Series 2017 Bonds). The Series 2017 Bonds, bear interest rates of 4.168% - 5.000% (2017A) and 5.000% (2017B) and mature on 2041, are payable semi-annually on June 15 and December 15. The Series 2017 Bonds were issued for the purpose of providing funds to refund all of the District's Series 2006 Bonds along with a portion of its Series 2007 Bonds and additionally paying the cost of issuance and establishing a Reserve Fund for the Series 2017 Bonds. The Series 2017 Bonds have been structured such that Pledged Revenues generated from Public Improvement Fees, Shared Sales Tax Incremental Revenues and the Shared General Fund Sales Tax Revenues (collectively, the "Shared Revenue") generally will be applied first, to costs of Primary Public Improvements, including payments of principal and interest due with respect to the Series 2017A Bonds and second, to payments of principal and interest due with respect to Bonds issued to finance District Public Improvements, including the Series 2017B Bonds, to the extent necessary to prevent deficiencies in amounts available to pay such Bonds.

The Series 2017 Bonds are tax supported special, limited revenue obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4 (District No. 4), No. 5 (District No. 5) and No. 10 (District No. 10), and from the imposition by District No. 4 and District No. 5 of ad valorem property taxes not in excess of 50 mills subject to adjustment caused by changes in the method of determining assessed valuation by the State of Colorado, and the related specific ownership taxes.

On March 8, 2018, the District issued \$4,510,000 in Series 2018 Special Revenue Park and Recreation Improvements (PRI) Bonds. The Series 2018 Special Revenue PRI Bonds are term bonds due on December 15, 2042 at an interest rate of 5.125% and are payable on June 15 and December 15. The Series 2018 Bonds were issued for the purpose of providing funds to refund a portion of the Districts outstanding PRI Developer Advances and additionally paying the cost of issuance and establishing a Reserve Fund for the Series 2018 Bonds. The Series 2018 Bonds are special, limited revenue obligations of the District secured by and payable from Pledged Revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4, No. 5, and No. 10.

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020 as defined under TABOR.

Debt Service Reserves

The Series 2007 Bonds are secured by funds to be held by the Trustee in the Reserves Funds of the amount equal to 3% of the outstanding principal.

The Series 2017 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$3,572,644.

The Series 2018 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$346,706. .

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$47,095,000 Limited Property Tax Supported Revenue Bonds, Series 2017A Dated October 26, 2017 Interest Rates: 4.168% - 5.000% Interest Payable June 15 and December 15			\$2,215,000 Limited Property Tax Supported Revenue Bonds, Series 2017B Dated October 26, 2017 Interest Rate: 5.000% Interest Payable June 15 and December 15			Totals		
	Principal Due December 15			Principal Due December 15					
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 800,000	\$ 2,236,256	\$ 3,036,256	\$ 40,000	\$ 107,000	\$ 147,000	\$ 840,000	\$ 2,343,256	\$ 3,183,256
2021	885,000	2,203,256	3,088,256	40,000	105,000	145,000	925,000	2,308,256	3,233,256
2022	955,000	2,166,750	3,121,750	45,000	103,000	148,000	1,000,000	2,269,750	3,269,750
2023	1,015,000	2,127,356	3,142,356	50,000	100,750	150,750	1,065,000	2,228,106	3,293,106
2024	1,090,000	2,085,488	3,175,488	55,000	98,250	153,250	1,145,000	2,183,738	3,328,738
2025	1,165,000	2,040,525	3,205,525	55,000	95,500	150,500	1,220,000	2,136,025	3,356,025
2026	1,250,000	1,992,469	3,242,469	60,000	92,750	152,750	1,310,000	2,085,219	3,395,219
2027	1,325,000	1,940,906	3,265,906	65,000	89,750	154,750	1,390,000	2,030,656	3,420,656
2028	1,415,000	1,886,250	3,301,250	70,000	86,500	156,500	1,485,000	1,972,750	3,457,750
2029	1,515,000	1,815,500	3,330,500	75,000	83,000	158,000	1,590,000	1,898,500	3,488,500
2030	1,625,000	1,739,750	3,364,750	80,000	79,250	159,250	1,705,000	1,819,000	3,524,000
2031	1,735,000	1,658,500	3,393,500	85,000	75,250	160,250	1,820,000	1,733,750	3,553,750
2032	1,860,000	1,571,750	3,431,750	90,000	71,000	161,000	1,950,000	1,642,750	3,592,750
2033	1,975,000	1,478,750	3,453,750	100,000	66,500	166,500	2,075,000	1,545,250	3,620,250
2034	2,115,000	1,380,000	3,495,000	105,000	61,500	166,500	2,220,000	1,441,500	3,661,500
2035	2,250,000	1,274,250	3,524,250	110,000	56,250	166,250	2,360,000	1,330,500	3,690,500
2036	2,615,000	1,161,750	3,776,750	130,000	50,750	180,750	2,745,000	1,212,500	3,957,500
2037	2,780,000	1,031,000	3,811,000	140,000	44,250	184,250	2,920,000	1,075,250	3,995,250
2038	3,305,000	892,000	4,197,000	165,000	37,250	202,250	3,470,000	929,250	4,399,250
2039	3,675,000	726,750	4,401,750	180,000	29,000	209,000	3,855,000	755,750	4,610,750
2040	3,910,000	543,000	4,453,000	190,000	20,000	210,000	4,100,000	563,000	4,663,000
2041	6,950,000	347,500	7,297,500	210,000	10,500	220,500	7,160,000	358,000	7,518,000
	<u>\$46,210,000</u>	<u>\$34,299,756</u>	<u>\$80,509,756</u>	<u>\$2,140,000</u>	<u>\$1,563,000</u>	<u>\$3,703,000</u>	<u>\$48,350,000</u>	<u>\$35,862,756</u>	<u>\$84,212,756</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

October 22, 2020

Prairie Center Metropolitan District No. 3
c/o CliftonLarsonAllen LLP
8390 E. Crescent Pkwy, Suite 300
Greenwood Village, CO 80111

We are pleased to serve as the independent auditors for Prairie Center Metropolitan District No. 3 (“Client”) for the year ended December 31, 2020. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement.

We will audit Client’s financial statements, the related notes to the financial statements, and, if applicable, supplementary information.

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$4300. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Audit Objective

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (“GAAP”). Our audit will be conducted in accordance with auditing standards generally accepted in the United States (“GAAS”) and will include tests of Client’s accounting records and other procedures we consider necessary to enable us to express such an opinion.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Audit Procedures, Limitations, and Independence

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit will include obtaining an understanding of Client and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and you internal control related matters that are required to be communicated under professional standards.

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there exists an unavoidable risk that some material misstatements may exist and not be detected even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of law or government regulations that do not have a direct and material effect on the financial statements. However, we will inform Client management and you of any material errors that come to our attention and any fraud, material or not, that comes to our attention. We will also inform Client management and you of any violations of law or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of Client's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with Client management and you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

Responsibilities of Management

Management is responsible for the financial statements, the related notes to financial statement and, if applicable, the supplementary information, and underlying financial records and for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making all financial records and related information available to us, for the accuracy and completeness of that information, and for providing us with (a) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting Client involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that Client complies with applicable laws and regulations.

As required by GAAS, at the close of the audit we will request from management certain written confirmation concerning oral and written representations made to us in connection with the audit in order to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding.

Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP, its partners, employees, agents, and assigns from any liability, cost, or expense relating to our services under this Letter attributable to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, will be discussed with management. Timely completion of this work will facilitate the completion of our engagement.

Other Services

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management is responsible for assuming all management responsibilities and for overseeing these services by designating an individual, preferably within senior management, with suitable skill, knowledge, and/or experience. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Illegal Aliens: We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Illegal Aliens.* We certify that Wipfli LLP does not knowingly employ or contract with an illegal alien to perform work under this engagement letter, or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with an illegal alien to perform work under this engagement letter.
- B. *Verification Regarding Illegal Aliens.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with an illegal alien, Wipfli LLP shall:

October 22, 2020

(i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien.

Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.
- G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S § 8-17.5-102(5)(c).

Other

Greg Livin will be your audit engagement partner.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.



Wipfli LLP

Prairie Center Metropolitan District No. 3

Page 6

October 22, 2020

ACCEPTED: PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

By: _____

(Print Name and Title)

Date: _____

GL

Enc.

Revision Date (02/24/20)

I:\2020\A&A Department\Metro Districts\Engagement Letters\CLA MD Engagement Letter - w proposed CO special district language.docx

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict between the Terms and Conditions and the provisions of an Engagement Letter issued by Wipfli, the Engagement Letter will apply.

2. Commencement and Term

An Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

If, during the course of Wipfli’s engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the services will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of

Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or management for the production of documents and/or testimony relative to information Wipfli obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

5. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

6. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

7. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned Indian subsidiary and contractors in the Philippines) or any of their respective affiliates. These entities and their personnel may be located within or outside the United States. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client’s information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information (“Personal Data”) and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the engagement letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the engagement letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or professional standards. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes.

For additional information related to client personal information, please see Wipfli’s Privacy Statement located at www.wipfli.com/privacy-statement.

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

8. Wipfli Owners

Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

9. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

10. Governing Law

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

11. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

12. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

13. Termination

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement, at our discretion, if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

14. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **302 - PRAIRIE CENTER METRO NO 3**

IN ADAMS COUNTY ON 10/12/2020

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 2020 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$3,270
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$6,390
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$6,390
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

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

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

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

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

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2020 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2020

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$1,156
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: <small>(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.)</small>	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

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

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

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

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2020	

Data Date: 10/12/2020

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

October 13, 2020

PRAIRIE CENTER METRO NO 3
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: ANN E FINN
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To ANN E FINN:

Enclosed is the 2020 preliminary valuation. This valuation along with all other statutory requirements is on the enclosed form. A final certification of value will be sent out on or before December 10, 2020.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

Sincerely,

A handwritten signature in black ink, appearing to read "KM", with a long horizontal flourish extending to the right.

Ken Musso
Adams County Assessor
KM/cjw

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 4,962,403	\$ 6,284,371	\$ 5,513,797	\$ 5,513,797	\$ 7,042,272
REVENUES					
Add-on public improvement fees - DPI	1,910,397	2,000,000	1,432,290	1,950,000	2,050,000
Add-on permit fees - DPI	113,016	50,000	-	-	-
City reimbursement - Outfall Channel	868,805	450,000	258,123	258,123	-
Credit public improvement fees - PPI	1,838,693	1,950,000	1,408,957	1,900,000	1,995,000
Credit public improvement fees - PRI	460,183	487,500	352,508	475,000	499,000
Credit permit fees - PPI	113,016	50,000	-	-	-
Credit permit fees - PRI	28,250	12,500	-	-	-
Developer advance	406,228	-	-	-	-
Facilities fees	87,382	40,000	-	-	-
Interest income	150,296	110,000	34,670	38,500	16,000
Other revenue	88,950	132,000	152,009	210,000	-
Shared sales tax increment	426,502	475,000	-	447,000	470,000
Transfer from District No. 1	50,000	1,517,000	-	2,238,000	2,645,000
Transfer from District No. 4	1,628,272	2,010,804	1,934,300	1,998,554	2,264,908
Transfer from District No. 5	117,000	403,095	322,495	400,499	377,897
Transfer from District No. 10	175,301	283,297	272,841	270,265	290,305
Total revenues	<u>8,462,291</u>	<u>9,971,196</u>	<u>6,168,193</u>	<u>10,185,941</u>	<u>10,608,110</u>
TRANSFERS IN	<u>868,805</u>	<u>1,450,000</u>	<u>258,123</u>	<u>1,758,123</u>	<u>3,470,000</u>
Total funds available	<u>14,293,499</u>	<u>17,705,567</u>	<u>11,940,113</u>	<u>17,457,861</u>	<u>21,120,382</u>
EXPENDITURES					
General Fund	1,502,597	2,305,000	611,126	2,160,642	900,000
Debt Service Fund - PPI & DPI	5,228,526	5,596,000	1,171,628	5,389,256	5,750,000
Debt Service Fund - PRI	507,209	445,000	222,281	528,294	500,000
Capital Projects Fund	672,565	1,450,000	59,395	579,274	3,469,000
Total expenditures	<u>7,910,897</u>	<u>9,796,000</u>	<u>2,064,430</u>	<u>8,657,466</u>	<u>10,619,000</u>
TRANSFERS OUT	<u>868,805</u>	<u>1,450,000</u>	<u>258,123</u>	<u>1,758,123</u>	<u>3,470,000</u>
Total expenditures and transfers out requiring appropriation	<u>8,779,702</u>	<u>11,246,000</u>	<u>2,322,553</u>	<u>10,415,589</u>	<u>14,089,000</u>
ENDING FUND BALANCES	<u>\$ 5,513,797</u>	<u>\$ 6,459,567</u>	<u>\$ 9,617,560</u>	<u>\$ 7,042,272</u>	<u>\$ 7,031,382</u>
EMERGENCY RESERVE	\$ 36,000	\$ 95,600	\$ 44,000	\$ 112,700	\$ 130,000
2007 SUBORDINATE BONDS - REQ DEBT SERVICE	1,017,150	1,017,150	1,017,150	1,017,150	1,017,150
2017 SENIOR BONDS - REQ DEBT SERVICE	3,572,644	3,572,644	3,572,644	3,572,644	3,572,644
2018 SENIOR RESERVE	346,706	346,706	346,706	346,706	346,706
TOTAL RESERVE	<u>\$ 4,972,500</u>	<u>\$ 5,032,100</u>	<u>\$ 4,980,500</u>	<u>\$ 5,049,200</u>	<u>\$ 5,066,500</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION					
State assessed	\$ -	\$ 160	\$ 160	\$ 160	\$ 320
Vacant land	20	20	20	20	20
Personal property	-	3,090	3,090	3,090	6,050
Certified Assessed Value	<u>\$ 20</u>	<u>\$ 3,270</u>	<u>\$ 3,270</u>	<u>\$ 3,270</u>	<u>\$ 6,390</u>
 MILL LEVY					
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
 PROPERTY TAXES					
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED PROPERTY TAXES					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 492,612	\$ 395,755	\$ 277,490	\$ 277,490	\$ 581,067
REVENUES					
Transfer from District No. 1	50,000	1,517,000	-	2,238,000	2,645,000
Transfer from District No. 4	949,825	1,172,968	1,128,341	1,165,858	1,321,180
Transfer from District No. 5	23,399	80,575	64,496	80,096	75,575
Transfer from District No. 10	175,301	283,297	272,841	270,265	290,305
Other revenue	88,950	132,000	152,009	210,000	-
Total revenues	<u>1,287,475</u>	<u>3,185,840</u>	<u>1,617,687</u>	<u>3,964,219</u>	<u>4,332,060</u>
Total funds available	<u>1,780,087</u>	<u>3,581,595</u>	<u>1,895,177</u>	<u>4,241,709</u>	<u>4,913,127</u>
EXPENDITURES					
General and administrative					
Accounting - recurring	86,343	83,700	62,556	83,700	88,200
Accounting - non-recurring project	15,570	-	12,749	18,000	18,000
Accounting - PIF collection fees	18,512	19,800	14,522	19,800	20,700
Audit	4,675	4,410	4,410	4,410	4,680
District management	29,502	38,700	12,136	30,000	38,700
District asset management	36,000	36,000	27,000	36,000	36,000
District No. 9 - consultants	7,413	-	-	-	-
Dues and memberships	3,035	3,500	2,814	2,814	3,500
Insurance and bonds	39,762	40,000	33,873	33,873	40,000
Legal	33,377	54,000	22,830	36,000	54,000
Election expense	-	-	1,109	1,109	-
Miscellaneous/Contingency	13,877	8,890	7,734	15,000	19,220
Repayment of Developer advance	406,228	1,200,000	-	1,186,059	-
Eagle monument maintenance					
Electric - site lighting	21,230	18,000	17,170	22,000	22,000
Water feature maintenance	5,260	25,000	7,870	10,000	15,000
Electric - water pump	14,449	15,000	12,234	15,000	15,000
Operations and maintenance					
Detention pond maintenance	16,077	40,000	4,500	25,000	25,000
Electric - street lights, other	19,409	18,000	9,419	20,000	20,000
Landscaping	141,978	150,000	110,243	125,000	125,000
Street sweeping	6,936	10,000	9,128	12,000	15,000
Streets repairs and maintenance	413,956	150,000	37,129	200,000	200,000
Snow removal	129,885	130,000	71,078	130,000	130,000
Water and sewer	39,123	10,000	5,745	10,000	10,000
Site lighting	-	250,000	124,877	124,877	-
Total expenditures	<u>1,502,597</u>	<u>2,305,000</u>	<u>611,126</u>	<u>2,160,642</u>	<u>900,000</u>
TRANSFERS OUT					
Transfers to other fund	-	1,000,000	-	1,500,000	3,470,000
Total expenditures and transfers out requiring appropriation	<u>1,502,597</u>	<u>3,305,000</u>	<u>611,126</u>	<u>3,660,642</u>	<u>4,370,000</u>
ENDING FUND BALANCES	<u>\$ 277,490</u>	<u>\$ 276,595</u>	<u>\$ 1,284,051</u>	<u>\$ 581,067</u>	<u>\$ 543,127</u>
EMERGENCY RESERVE	<u>\$ 36,000</u>	<u>\$ 95,600</u>	<u>\$ 44,000</u>	<u>\$ 112,700</u>	<u>\$ 130,000</u>
TOTAL RESERVE	<u>\$ 36,000</u>	<u>\$ 95,600</u>	<u>\$ 44,000</u>	<u>\$ 112,700</u>	<u>\$ 130,000</u>

No assurance provided. See summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND - PPI & DPI
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 5,166,600	\$ 5,311,721	\$ 5,337,825	\$ 5,337,825	\$ 5,433,668
REVENUES					
Add-on public improvement fees - DPI	1,910,397	2,000,000	1,432,290	1,950,000	2,050,000
Add-on permit fees - DPI	113,016	50,000	-	-	-
Credit public improvement fees - PPI	1,838,693	1,950,000	1,408,957	1,900,000	1,995,000
Credit permit fees - PPI	113,016	50,000	-	-	-
Facilities fees	87,382	40,000	-	-	-
Interest income	138,697	100,000	31,772	35,000	15,000
Shared sales tax increment	426,502	475,000	-	447,000	470,000
Transfer from District No. 4	678,447	837,836	805,959	832,696	943,728
Transfer from District No. 5	93,601	322,520	257,999	320,403	302,322
Total revenues	<u>5,399,751</u>	<u>5,825,356</u>	<u>3,936,977</u>	<u>5,485,099</u>	<u>5,776,050</u>
Total funds available	<u>10,566,351</u>	<u>11,137,077</u>	<u>9,274,802</u>	<u>10,822,924</u>	<u>11,209,718</u>
EXPENDITURES					
Bond interest - Series 2007	2,129,307	2,400,000	-	2,200,000	2,500,000
Bond interest - Series 2017	2,373,219	2,343,256	1,171,628	2,343,256	2,308,256
Bond principal - Series 2017	720,000	840,000	-	840,000	925,000
Miscellaneous/Contingency	-	6,744	-	-	10,744
Paying agent fees	6,000	6,000	-	6,000	6,000
Total expenditures	<u>5,228,526</u>	<u>5,596,000</u>	<u>1,171,628</u>	<u>5,389,256</u>	<u>5,750,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,228,526</u>	<u>5,596,000</u>	<u>1,171,628</u>	<u>5,389,256</u>	<u>5,750,000</u>
ENDING FUND BALANCES	<u>\$ 5,337,825</u>	<u>\$ 5,541,077</u>	<u>\$ 8,103,174</u>	<u>\$ 5,433,668</u>	<u>\$ 5,459,718</u>
2007 SUBORDINATE BONDS - REQ DEBT SERVICE	\$ 1,017,150	\$ 1,017,150	\$ 1,017,150	\$ 1,017,150	\$ 1,017,150
2017 SENIOR BONDS - REQ DEBT SERVICE	3,572,644	3,572,644	3,572,644	3,572,644	3,572,644
TOTAL RESERVE	<u>\$ 4,589,794</u>	<u>\$ 4,589,794</u>	<u>\$ 4,589,794</u>	<u>\$ 4,589,794</u>	<u>\$ 4,589,794</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND - PRI
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 484,920	\$ 576,895	\$ 477,741	\$ 477,741	\$ 427,947
REVENUES					
Interest income	11,599	10,000	2,898	3,500	1,000
Credit public improvement fees - PRI	460,183	487,500	352,508	475,000	499,000
Credit permit fees - PRI	28,250	12,500	-	-	-
Total revenues	<u>500,032</u>	<u>510,000</u>	<u>355,406</u>	<u>478,500</u>	<u>500,000</u>
Total funds available	<u>984,952</u>	<u>1,086,895</u>	<u>833,147</u>	<u>956,241</u>	<u>927,947</u>
EXPENDITURES					
Bond principal - Series 2018	285,000	220,000	115,000	318,000	285,000
Bond interest - Series 2018	218,709	206,794	103,781	206,794	200,000
Contingency	-	14,706	-	-	11,500
Debt Service					
Paying agent fees	3,500	3,500	3,500	3,500	3,500
Total expenditures	<u>507,209</u>	<u>445,000</u>	<u>222,281</u>	<u>528,294</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>507,209</u>	<u>445,000</u>	<u>222,281</u>	<u>528,294</u>	<u>500,000</u>
ENDING FUND BALANCES	<u>\$ 477,741</u>	<u>\$ 641,895</u>	<u>\$ 610,866</u>	<u>\$ 427,947</u>	<u>\$ 427,947</u>
2018 SENIOR RESERVE	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>
TOTAL RESERVE	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>	<u>\$ 346,706</u>

No assurance provided. See summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (1,181,729)	\$ -	\$ (579,259)	\$ (579,259)	\$ 599,590
REVENUES					
Developer advance	406,228	-	-	-	-
Total revenues	<u>406,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS IN					
Transfer from CPF - Stormwater	868,805	450,000	258,123	258,123	-
Transfers from GF	-	1,000,000	-	1,500,000	3,470,000
Total funds available	<u>93,304</u>	<u>1,450,000</u>	<u>(321,136)</u>	<u>1,178,864</u>	<u>4,069,590</u>
EXPENDITURES					
General and Administrative					
Accounting - recurring	9,594	9,300	6,951	9,300	9,800
Accounting - non-recurring project	1,730	-	1,415	2,000	2,000
Accounting - PIF collection fees	2,057	2,200	1,613	2,000	2,300
Audit	-	490	490	490	520
District management	3,278	4,300	1,426	3,000	4,300
Legal services - PPI	3,709	6,000	2,537	4,000	5,000
Miscellaneous/Contingency	-	862,610	-	-	227,980
Repayment of Developer advance	-	-	-	500,000	2,100,000
PPI					
Retail Three - Streets	358,980	-	5,770	5,770	-
Village 5 Collector Roads - PPI	723	-	-	-	575,000
Retail Three - Storm Drainage	95,315	-	-	-	-
Retail Four	20,683	-	-	-	-
Retail Four - Road Extension	94,153	-	6,144	6,144	-
Retail Three - Road Extension	14,163	-	-	-	-
Medical Center Drive	-	450,000	-	-	450,000
DPI					
DPI - Project management	22,817	55,000	5,944	6,500	47,000
DPI - Project management interest	45,283	60,000	27,059	40,000	45,000
PRI					
PRI - Project management interest	80	100	46	70	100
Total expenditures	<u>672,565</u>	<u>1,450,000</u>	<u>59,395</u>	<u>579,274</u>	<u>3,469,000</u>
Total expenditures and transfers out requiring appropriation	<u>672,565</u>	<u>1,450,000</u>	<u>59,395</u>	<u>579,274</u>	<u>3,469,000</u>
ENDING FUND BALANCES	<u>\$ (579,259)</u>	<u>\$ -</u>	<u>\$ (380,531)</u>	<u>\$ 599,590</u>	<u>\$ 600,590</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
 CAPITAL PROJECTS FUND STORMWATER
 2021 BUDGET
 WITH 2019 ACTUAL AND 2020 ESTIMATED
 For the Years Ended and Ending December 31,**

11/24/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
City reimbursement - Outfall Channel	868,805	450,000	258,123	258,123	-
Total revenues	<u>868,805</u>	<u>450,000</u>	<u>258,123</u>	<u>258,123</u>	<u>-</u>
Total funds available	<u>868,805</u>	<u>450,000</u>	<u>258,123</u>	<u>258,123</u>	<u>-</u>
EXPENDITURES					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT					
Transfers to CPF	<u>868,805</u>	<u>450,000</u>	<u>258,123</u>	<u>258,123</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>868,805</u>	<u>450,000</u>	<u>258,123</u>	<u>258,123</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 3 (District) is a quasi-municipal corporation located within Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in June 2006, concurrently with Prairie Center Metropolitan District Nos. 4 – 10, pursuant to their Service Plans, all of which were approved by the City of Brighton (City), Colorado on February 21, 2006, and by orders and decrees issued by the District Court in and for Adams County, Colorado, and as modified on November 13, 2006. Prairie Center Metropolitan Districts Nos. 1 and 2 (respectively, District No. 1 and District No. 2) were organized prior to the establishment of the District and have proceeded with development and construction of public improvements. In order to increase development flexibility and to avoid unfairly burdening existing development with the costs of public infrastructure required in future phases, District Nos. 3 – 10 were formed and several inclusions and exclusions of property were completed to generally locate properties in the Initial Planned Development planned for commercial/retail uses in District No. 4 and properties in the Initial Planned Development planned for residential uses in District No. 5. Subsequent to the formation of the District, the obligations of District No. 1 and District No. 2 were assumed by the District as were the assets constructed by those Districts.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translators and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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 expend 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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Credit Public Improvement Fees (Credit PIF)

A Comprehensive Agreement, entered into with the City of Brighton and other parties, allows the District to collect 1.25% Credit PIF, for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions, for use towards Primary Public Improvements (PPI). Primary Public Improvements include major and minor arterial streets and related landscaping and trails, traffic signals, certain potable and non-potable water distribution lines, regional/community/neighborhood parks, trails, and open spaces. The maximum amount of PPI costs (“Cap Amount”) that the District can finance from the Credit PIF is approximately \$146 million.

Add-On Public Improvement Fees (Add-on PIF)

The Comprehensive Agreement also allows the District to collect 1% Add-On PIF to finance any other District Public Improvements.

Interest Income

Investment earned on the District’s available funds has been estimated based on historical interest earnings.

Transfers from Prairie Center Metropolitan District Nos. 1, 4, 5, and 10

Pursuant to a Capital Pledge Agreement with Prairie Center Metropolitan District Nos. 4 and 5 (Taxing Districts), the District will receive property taxes and specific ownership taxes collected by the Taxing Districts. The debt service tax revenues to be transferred from District Nos. 4 and 5 are pledged for the payment of principal and interest on bonds issued by the District. Further, pursuant to a Facilities Funding, Construction and Operations Agreement entered into by all Prairie Center Districts, District Nos. 4, 5 and 10 are obligated to remit to the District the tax revenues derived from Operation and Maintenance mill levy they imposed on properties within their respective Districts. The Operation and Maintenance tax revenues received by the District from District Nos. 4, 5 and 10 will be used to pay administrative expenditures incurred by all Districts. District No. 1 will transfer its property and specific ownership tax revenues, net of its own administrative expenditures, to District No. 3’s General Fund as consideration for the benefits derived from the public improvements constructed, operated and maintained by District No. 3 which benefit the service area of District No. 1.

City Reimbursement

Pursuant to an intergovernmental agreement with the City of Brighton, the District is to be reimbursed for Outfall Channel Improvements. According to the Agreement, the District’s costs for the design, financing and construction of the stormwater improvements are to be reimbursed by the City for certain stormwater impact fees.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Shared Sales Tax Increment

Pursuant to the Cooperation Agreement between the District, the City, and Brighton Urban Renewal Authority (Authority), collectively “the Parties”, if the taxable retail sales within the District are at least equal to \$150 million (but less than \$200 million) in any given calendar year, then the City shall be obligated to transfer to the Authority the applicable allocated increment amount which would be equal to 30% of the General Fund Sales Tax Incremental Revenues received by the City in that year, after the deduction of the City’s General Fund Sales Tax Base Amount and the appropriate share of costs and expenses. The Parties agree that no later than February 20 of each calendar year, the Authority shall remit to the District the allocated increment amount received by the Authority from the City.

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. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

Capital Outlay

The District anticipates infrastructure improvements during 2021 as reflected in the Capital Projects Fund.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017A and 2017B Limited Property Tax Supported Revenue Bonds. A debt amortization schedule for Series 2018 Bonds has not been provided as additional principal is being paid, in increments of \$5,000, based on excess funds available over the current interest due. Additionally, the District anticipates to pay a portion of the accrued interest on the Series 2007 Subordinate Bonds based on the amount of funds available; therefore, a scheduled amortization has not been included in the budget.

Debt and Leases

In June 2007, the District issued Series 2007A Subordinate and Series 2007B Subordinate Bonds in the total amount of \$43,515,000. The Bonds are special limited obligations of the District secured by and payable from the pledged revenues, subject in all respects to the prior lien in favor of the Senior Bonds. The Series 2007A Subordinate Bonds, in the amount of \$40,610,000, are term bonds due on December 15, 2031, at an interest rate of 9.50%. The Series 2007B Subordinate Bonds, in the amount of \$2,905,000, are term bonds due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. A portion of the Series 2007A and 2007B were refunded on October 26, 2017 with the Series 2017 Bond issuance discussed below.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

On October 26, 2017, the District refunded the Limited Property Tax Supported Revenue Bonds, Series 2006A & 2006B (Series 2006 Bonds) and a portion of the Subordinate Limited Property Tax Supported Revenue Bonds, Series 2007A & 2007B (Series 2007 Bonds) by the issuance of \$49,275,000 Limited Property Tax Supported Revenue Bonds, Series 2017A & 2017B (Series 2017 Bonds). The Series 2017 Bonds, bear interest rates of 4.168% - 5.000% (2017A) and 5.000% (2017B) and mature on 2041, are payable semi-annually on June 15 and December 15. The Series 2017 Bonds were issued for the purpose of providing funds to refund all of the District's Series 2006 Bonds along with a portion of its Series 2007 Bonds and additionally paying the cost of issuance and establishing a Reserve Fund for the Series 2017 Bonds. The Series 2017 Bonds have been structured such that Pledged Revenues generated from Public Improvement Fees, Shared Sales Tax Incremental Revenues and the Shared General Fund Sales Tax Revenues (collectively, the "Shared Revenue") generally will be applied first, to costs of Primary Public Improvements, including payments of principal and interest due with respect to the Series 2017A Bonds and second, to payments of principal and interest due with respect to Bonds issued to finance District Public Improvements, including the Series 2017B Bonds, to the extent necessary to prevent deficiencies in amounts available to pay such Bonds.

The Series 2017 Bonds are tax supported special, limited revenue obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4 (District No. 4), No. 5 (District No. 5) and No. 10 (District No. 10), and from the imposition by District No. 4 and District No. 5 of ad valorem property taxes not in excess of 50 mills subject to adjustment caused by changes in the method of determining assessed valuation by the State of Colorado, and the related specific ownership taxes.

On March 8, 2018, the District issued \$4,510,000 in Series 2018 Special Revenue Park and Recreation Improvements (PRI) Bonds. The Series 2018 Special Revenue PRI Bonds are term bonds due on December 15, 2042 at an interest rate of 5.125% and are payable on June 15 and December 15. The Series 2018 Bonds were issued for the purpose of providing funds to refund a portion of the Districts outstanding PRI Developer Advances and additionally paying the cost of issuance and establishing a Reserve Fund for the Series 2018 Bonds. The Series 2018 Bonds are special, limited revenue obligations of the District secured by and payable from Pledged Revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4, No. 5, and No. 10.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The following is an analysis of anticipated changes in the District's long-term obligations for the years ending December 31, 2020 and 2021.

	Balance -			Anticipated
	December 31,			Balance -
	2019	Additions	Retirements	December 31,
				2020
Bonds Payable				
Series 2007	\$ 33,905,000	\$ -	\$ -	\$ 33,905,000
Series 2017	48,350,000	-	840,000	47,510,000
Series 2018	4,050,000	-	318,000	3,732,000
Accrued Interest on Bonds				
Series 2007	48,241,482	1,020,975	2,200,000	47,062,457
Bond Issue Discount				
Series 2017	(198,568)	-	(13,190)	(185,378)
Series 2018	(41,170)	-	(6,050)	(35,120)
Developer Advance				
Operating	1,073,883	-	1,073,883	-
Debt Service	2,066,963	-	-	2,066,963
Capital	20,183,665	-	-	20,183,665
Accrued Interest on				
Operating	45,846	80,271	126,117	-
Debt Service	1,843,122	261,087	-	2,104,209
Capital	14,456,168	2,312,993	500,000	16,269,161
Funding Fee Payable	1,125,816	-	-	1,125,816
Total	\$ 175,102,207	\$ 3,675,326	\$ 5,038,760	\$ 173,738,773

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

	Anticipated			Anticipated
	Balance -			Balance -
	December 31,			December 31,
	2020	Additions	Retirements	2021
Bonds Payable				
Series 2007	\$ 33,905,000	\$ -	\$ -	\$ 33,905,000
Series 2017	47,510,000	-	925,000	46,585,000
Series 2018	3,732,000	-	285,000	3,447,000
Accrued Interest on Bonds				
Series 2007	47,062,457	820,975	2,500,000	45,383,432
Bond Issue Discount				
Series 2017	(185,378)	-	(13,190)	(172,188)
Series 2018	(35,120)	-	(6,050)	(29,070)
Developer Advance				
Debt Service	2,066,963	-	-	2,066,963
Capital	20,183,665	-	-	20,183,665
Accrued Interest on				
Debt Service	2,104,209	264,772	-	2,368,981
Capital	16,269,161	2,313,899	2,100,000	16,483,060
Funding Fee Payable	1,125,816	40,000	-	1,165,816
Total	\$ 173,738,773	\$ 3,439,646	\$ 5,790,760	\$ 171,387,659

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021 as defined under TABOR.

Debt Service Reserves

The Series 2007 Bonds are secured by funds to be held by the Trustee in the Reserves Funds of the amount equal to 3% of the outstanding principal.

The Series 2017 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$3,572,644.

The Series 2018 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$346,706.

This information is an integral part of the accompanying budget.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$47,095,000 Limited Property Tax Supported Revenue Bonds, Series 2017A Dated October 26, 2017 Interest Rates: 4.168% - 5.000%			\$2,215,000 Limited Property Tax Supported Revenue Bonds, Series 2017B Dated October 26, 2017 Interest Rate: 5.000%			Totals		
	Interest Payable June 15 and December 15 Principal Due December 15			Interest Payable June 15 and December 15 Principal Due December 15					
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 885,000	\$ 2,203,256	\$ 3,088,256	\$ 40,000	\$ 105,000	\$ 145,000	\$ 925,000	\$ 2,308,256	\$ 3,233,256
2022	955,000	2,166,750	3,121,750	45,000	103,000	148,000	1,000,000	2,269,750	3,269,750
2023	1,015,000	2,127,356	3,142,356	50,000	100,750	150,750	1,065,000	2,228,106	3,293,106
2024	1,090,000	2,085,488	3,175,488	55,000	98,250	153,250	1,145,000	2,183,738	3,328,738
2025	1,165,000	2,040,525	3,205,525	55,000	95,500	150,500	1,220,000	2,136,025	3,356,025
2026	1,250,000	1,992,469	3,242,469	60,000	92,750	152,750	1,310,000	2,085,219	3,395,219
2027	1,325,000	1,940,906	3,265,906	65,000	89,750	154,750	1,390,000	2,030,656	3,420,656
2028	1,415,000	1,886,250	3,301,250	70,000	86,500	156,500	1,485,000	1,972,750	3,457,750
2029	1,515,000	1,815,500	3,330,500	75,000	83,000	158,000	1,590,000	1,898,500	3,488,500
2030	1,625,000	1,739,750	3,364,750	80,000	79,250	159,250	1,705,000	1,819,000	3,524,000
2031	1,735,000	1,658,500	3,393,500	85,000	75,250	160,250	1,820,000	1,733,750	3,553,750
2032	1,860,000	1,571,750	3,431,750	90,000	71,000	161,000	1,950,000	1,642,750	3,592,750
2033	1,975,000	1,478,750	3,453,750	100,000	66,500	166,500	2,075,000	1,545,250	3,620,250
2034	2,115,000	1,380,000	3,495,000	105,000	61,500	166,500	2,220,000	1,441,500	3,661,500
2035	2,250,000	1,274,250	3,524,250	110,000	56,250	166,250	2,360,000	1,330,500	3,690,500
2036	2,615,000	1,161,750	3,776,750	130,000	50,750	180,750	2,745,000	1,212,500	3,957,500
2037	2,780,000	1,031,000	3,811,000	140,000	44,250	184,250	2,920,000	1,075,250	3,995,250
2038	3,305,000	892,000	4,197,000	165,000	37,250	202,250	3,470,000	929,250	4,399,250
2039	3,675,000	726,750	4,401,750	180,000	29,000	209,000	3,855,000	755,750	4,610,750
2040	3,910,000	543,000	4,453,000	190,000	20,000	210,000	4,100,000	563,000	4,663,000
2041	6,950,000	347,500	7,297,500	210,000	10,500	220,500	7,160,000	358,000	7,518,000
	<u>\$ 45,410,000</u>	<u>\$ 32,063,500</u>	<u>\$ 77,473,500</u>	<u>\$ 2,100,000</u>	<u>\$ 1,456,000</u>	<u>\$ 3,556,000</u>	<u>\$ 47,510,000</u>	<u>\$ 33,519,500</u>	<u>\$ 81,029,500</u>

RESOLUTION NO. 2020 - 12 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2021 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, 2020, 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 2, 2020, 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. 3:

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. 3 for the 2021 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 2nd day of December, 2020.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Prairie Center Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Prairie Center Metropolitan District No. 3 held on December 2, 2020.

By: _____
Secretary