

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2017)

The Board of Directors of The Plaza Metropolitan District No. 2 (the “Board”), City of Lakewood, Colorado (the “District”) held a special meeting at 464 South Teller Street, Lakewood, Colorado, on Wednesday, November 30, 2016, at the hour of 2:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2017 BUDGET

The Denver Post, LLC

PUBLISHER'S AFFIDAVIT

City and County of Denver)
State of Colorado)
)

The undersigned Jean Birch
being first duly sworn under oath, states
and affirms as follows:

1. He/she is the legal Advertising Reviewer of The Denver Post, LLC, publisher of *The Denver Post* and *Your Hub*.
2. *The Denver Post* and *Your Hub* are newspapers of general circulation that have been published continuously and without interruption for at least fifty-two weeks in Denver County and meet the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in *Your Hub* for Lakewood (including the counties of Jefferson and Denver) on the following date(s):

November 24, 2016

Jean Birch
Signature

Subscribed and sworn to before me this 25
day of November, 2016.

Teresa Zellner
Notary Public

(SEAL)

TERESA NICOLE ZELLNER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164005435
MY COMMISSION EXPIRES FEBRUARY 10, 2020

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2017 BUDGETS AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2016 BUDGETS

NOTICE IS HEREBY GIVEN that proposed 2017 budgets have been submitted to the Boards of Directors (the "Boards") of THE PLAZA METROPOLITAN DISTRICT NOS. 1 & 2 (the "Districts"). A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2016 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held at 464 South Teller Street, Lakewood, Colorado, on Wednesday, November 30, 2016 at 2:00 P.M. Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE BOARDS OF DIRECTORS:
THE PLAZA METROPOLITAN DISTRICT NOS. 1 & 2
/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

PUBLISHED IN: *Lakewood Your Hub*
PUBLISHED ON: November 24, 2016

Thereupon, Director Tompkins introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2017 AND ENDING ON THE LAST DAY OF DECEMBER 2017.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 30, 2016, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Summary of 2017 Revenues and 2017 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2017, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year

2017. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2017 budget year, there is hereby levied a tax of twenty-five (25.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

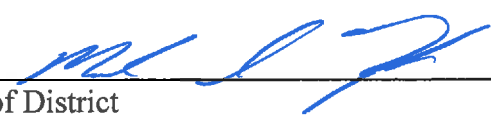
Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Wright.

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ADOPTED THIS 30TH DAY OF NOVEMBER, 2016.

THE PLAZA METROPOLITAN DISTRICT NO. 2



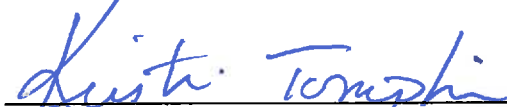
Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
THE PLAZA METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a special meeting held on Wednesday, November 30, 2016, at 464 South Teller Street, Lakewood, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 30th day of November, 2016.



EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 500
Greenwood Village, CO 80111
303-779-5710 | fax 303-779-0348
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Plaza Metropolitan District No. 2
Jefferson County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of the Plaza Metropolitan District No. 2 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to the Plaza Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 6, 2016

THE PLAZA METROPOLITAN DISTRICT NO. 2
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

12/6/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 7,281	\$ 6,879	\$ -
REVENUES			
1 Property taxes	214,180	229,285	227,453
2 Specific ownership taxes	79,096	69,614	82,045
3 Net investment income	51	230	50
4 Other income	-	-	5,000
Total revenues	293,327	299,129	314,548
Total funds available	300,608	306,008	314,548
EXPENDITURES			
5 Debt service			
6 Contingency	-	-	5,000
7 County Treasurer's fees	3,213	3,439	3,412
8 Transfer to Plaza No. 1	290,516	302,569	306,136
Total expenditures	293,729	306,008	314,548
Total expenditures and transfers out requiring appropriation	293,729	306,008	314,548
ENDING FUND BALANCES	\$ 6,879	\$ -	\$ -

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

THE PLAZA METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/6/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - JEFFERSON			
Commercial	\$ 37,764,395	\$ 37,620,753	\$ 40,469,471
Vacant Land	332,137	466,929	361,079
State Assessed	155,233	162,242	191,809
	<u>38,251,765</u>	<u>38,249,924</u>	<u>41,022,359</u>
Adjustments	(29,642,109)	(29,078,508)	(31,924,255)
Certified Assessed Value	<u>\$ 8,609,656</u>	<u>\$ 9,171,416</u>	<u>\$ 9,098,104</u>
MILL LEVY			
DEBT SERVICE FUND	25.000	25.000	25.000
Total Mill Levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>
PROPERTY TAXES			
DEBT SERVICE FUND	\$ 215,241	\$ 229,285	\$ 227,453
Levied property taxes	<u>215,241</u>	<u>229,285</u>	<u>227,453</u>
Adjustments to actual/rounding	(1,061)	-	-
Budgeted Property Taxes	<u>\$ 214,180</u>	<u>\$ 229,285</u>	<u>\$ 227,453</u>
BUDGETED PROPERTY TAXES			
DEBT SERVICE FUND	\$ 214,180	\$ 229,285	\$ 227,453
	<u>\$ 214,180</u>	<u>\$ 229,285</u>	<u>\$ 227,453</u>

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

THE PLAZA METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

12/6/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

THE PLAZA METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

12/6/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 7,281	\$ 6,879	\$ -
REVENUES			
1 Property taxes	214,180	229,285	227,453
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Total expenditures	293,729	306,008	314,548
Total expenditures and transfers out requiring appropriation	293,729	306,008	314,548
ENDING FUND BALANCES	\$ 6,879	\$ -	\$ -

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

**PLAZA METROPOLITAN DISTRICT NO. 2
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Court Order on January 2, 2001, to provide construction, installation, financing and operation of public improvements, including streets, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translators, mosquito and pest control, and other improvements needed for the Development. The District was organized in conjunction with other related districts, Plaza Metropolitan District No. 1 and Plaza Metropolitan District No. 3. Under the consolidated Service Plan, District No. 1 is to be the Service District and District Nos. 2 and 3 are to be the Financing Districts. The Service District will finance the majority, construct all, and may own and operate some of the public facilities. The Financing Districts will generate the majority of tax revenues sufficient to pay the costs of the capital improvements. The District's service area is located entirely within the City of Lakewood, Jefferson County, Colorado.

On November 7, 2000, District electors approved revenue indebtedness of \$100,000,000 for street improvements, \$7,000,000 for traffic safety, \$25,000,000 for parks and recreation, \$36,000,000 for water supply system, \$35,000,000 for sanitary sewer system, \$12,000,000 for television relay system, \$12,000,000 for public transportation, \$7,000,000 for mosquito control, \$246,000,000 for debt associated with intergovernmental contracts, \$241,000,000 for refinancing of District debt, and \$7,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$200,000 for general operations and maintenance, and \$5,000,000 in revenues other than ad valorem taxes.

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.

Revenues

Property Taxes

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

Under the consolidated Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 25 mills; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual

PLAZA METROPOLITAN DISTRICT NO. 2
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted mill levy of 25.000 mills.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected on the gross Assessed Value.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.50%.

Expenditures

Administrative Expenditures

All administrative functions for the District are to be performed by District No. 1.

County Treasurer's Fees

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

Transfers to Other Districts

The District anticipates transferring all tax revenue in the total amount of \$306,233 to District No. 1's debt service fund.

Reserves

Emergency Reserve

Under the consolidated Service Plan and Master Intergovernmental Agreement, the District transfers all of its revenues to District No. 1, which has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017, as defined under TABOR.

Debt and Leases

The District has no debt issued and has no operating or capital leases.

This information is an integral part of the accompanying budget.