

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY
AND CERTIFYING MILL LEVIES FOR THE CALENDAR YEAR 2026

The Board of Directors of Encore on 34 Metropolitan District No. 1 (the “**Board**”), Town of Johnstown, Larimer County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 18, 2025, at the hour of 11:00 a.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 2026 BUDGET

WHEREAS, the Board has appointed its accountant 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 available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2026. 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 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Larimer 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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 7. 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.

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ADOPTED NOVEMBER 18, 2025.

DISTRICT:

ENCORE ON 34 METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

Mark F Hunter

Mark F Hunter (Nov 18, 2025 13:01:46 MST)

By: _____

Officer of the District

ATTEST:



By: _____

STATE OF COLORADO
COUNTY OF LARIMER
ENCORE ON 34 METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Tuesday, November 18, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21 day of November, 2025.

Kevin Mitta

Signature

[Signature page to Resolution Adopting Budget, Appropriating Sums of Money and Certifying Mill Levies for the Calendar Year 2026]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

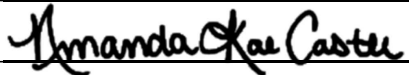
On behalf of the Encore on 34 Metropolitan District No. 1,
 (taxing entity)^A
 the Board of Directors
 (governing body)^B
 of the Encore on 34 Metropolitan District No. 1
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 90 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 90 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/2025 for budget/fiscal year 2026.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	0.000 mills	\$ 0.00
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: (print) Amanda Castle Daytime phone: () (970) 669-3611
 Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



Management Budget Report

BOARD OF DIRECTORS
ENCORE ON 34 METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2026, including the comparative information of the forecasted estimate for the year ending December 31, 2025 and the actual historic information for the year 2024.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in black ink that reads "Tracie L. Kaminski". The signature is written in a cursive, flowing style.

Pinnacle Consulting Group, Inc.
January 31, 2026

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

ENCORE ON 34 METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
		(a)	(b)	(c)	(d)
		2024	2025	2025	2026
		Unaudited	Adopted	Projected	Adopted
		Actual	Budget	Actual	Budget
Revenues					
	Service Fees District #2	\$ 381,785	\$ 195,611	\$ 195,903	\$ 162,549
	Service Fees District #3	877	882	882	693
	Interest and Other Income	12,653	1,000	3,302	2,500
	Total Revenues	\$ 395,315	\$ 197,493	\$ 200,086	\$ 165,743
Expenditures					
Administration:					
	Accounting and Finance	\$ 16,128	\$ 21,855	\$ 21,855	\$ 20,000
	District Management/Administration	20,213	15,500	15,500	16,000
	Engineer	78,982	-	13,614	15,000
	Director Fees	-	-	1,322	600
	Election	265	5,000	4,118	-
	Insurance	7,805	8,700	7,769	8,400
	Legal	24,904	55,000	29,527	55,000
	Repay Developer Advance - Principal	191,794	-	-	-
	Repay Developer Advance - Interest	19,018	-	-	-
	Office, Dues, Newsletters & Other	2,073	2,700	2,700	5,300
	District Website	-	1,300	1,300	1,725
	Contingency	744	100,000	-	100,000
	Total Expenditures	\$ 361,925	\$ 210,055	\$ 97,705	\$ 222,025
	Revenues Over/(Under) Expenditures	\$ 33,390	\$ (12,562)	\$ 102,382	\$ (56,282)
	Beginning Fund Balance	\$ 76,531	\$ 177,197	\$ 109,921	\$ 214,001
	Ending Fund Balance	\$ 109,921	\$ 164,635	\$ 212,303	\$ 157,719
COMPONENTS OF ENDING FUND BALANCE:					
	Emergency Reserve	\$ 11,859	\$ 5,925	\$ 11,859	\$ 6,661
	Operating Reserve (25% of Expenses)	12,908	52,514	24,426	55,506
	Unrestricted	85,154	106,196	176,017	95,552
	TOTAL ENDING FUND BALANCE	\$ 109,921	\$ 164,635	\$ 212,303	\$ 157,719

ENCORE ON 34 METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Encore on 34 Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to the provisions set forth in the Colorado Special District Act. The District was established as part of a "Multiple District Structure" for the community located in the Town of Timnath, Colorado. The multiple structure of the Districts will assure that the construction and operation of each phase of public facilities will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Along with Encore on 34 Metropolitan Districts Nos. 2 & 3, this District was organized to provide streets, traffic safety controls, street lighting, sanitary sewer, water, landscaping, storm drainage, mosquito control and park and recreational improvements; and to provide the operation and maintenance of these improvements for the benefit of the landowners and residents of the District.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2026 budget, the following goals are foremost for the District:

- To provide the level of services desired by the constituents of the District in the most economic manner possible

The District has no employees and all administrative functions are contractual.

Revenues

Transfers from Encore Metropolitan District Nos. 2 and 3

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefitting Encore Metropolitan District No. 2 and Encore Metropolitan District No. 3 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District. Additionally, the District Coordinating Services Agreement stipulates that the District will own, operate and maintain all public improvements within the Districts. The Districts will transfer project funds, as they are requisitioned from bond proceeds, to the District as the District will pay for the construction or acquisition of such public improvements.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the

ENCORE ON 34 METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (Continued)

District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Capital Outlay

The District anticipates no infrastructure improvements during 2026.

Reserves

Emergency Reserve

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

Operating Reserve

The District has provided for an Operating Reserve fund equal to 25% of expenditures.

New Tax Entity? No

LARIMER COUNTY ASSESSOR

Date 11/24/2025

ON 11/24/2025

NAME OF TAX ENTITY: ENCORE ON 34 METRO DISTRICT NO. 1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("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 2025 :

Table with 11 rows of valuation items and their corresponding dollar amounts, including 'PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION' and 'CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION'.

- † This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
~ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025 :

Table with 10 rows of actual valuation items and their corresponding dollar amounts, including 'CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY' and 'CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS'.

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, 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: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$ 0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25% LIMIT") 29-1-1703, C.R.S.

234 _____ County Tax Entity Code

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 2025 :

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ <u>90</u>
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$ <u>0</u>
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$ <u>90</u>
4.	NEW CONSTRUCTION:	4.	\$ <u>0</u>
5.	ANNEXATIONS/INCLUSIONS:	5.	\$ <u>0</u>
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$ <u>0</u>
7.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.): Includes all revenue collected on valuation not previously certified:	7.	\$ <u>0.00</u>
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$ <u>0</u>
9.	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.):	9.	\$ <u>0.00</u>
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$ <u>0</u>
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$ <u>0</u>

* Change in law for property tax classification does not include changes in classification due to property use changes.

Notes:

The property tax limit will apply to all property taxing entities with the exception of school districts and any county, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online here (<https://dlg.colorado.gov/budget-information-and-resources>). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.