

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2026 BUDGET  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 536,530	\$ 683,811	\$ 518,594
REVENUES			
Property taxes	121,396	120,762	200,929
Specific ownership taxes	7,601	7,543	12,056
Interest income	5,093	19,869	20,000
Transfer from District No. 1 - PIF	96,921	60,800	92,000
Transfer from District No. 1 - Sales tax rebate	-	33,875	73,000
Transfer from District No. 3 - Property/SOT tax	-	-	13,555
Loan issuance proceeds	5,400,000	-	-
Other revenue	108	-	3,460
Total revenues	<u>5,631,119</u>	<u>242,849</u>	<u>415,000</u>
TRANSFERS IN	<u>3,746,676</u>	-	-
Total funds available	<u>9,914,325</u>	<u>926,660</u>	<u>933,594</u>
EXPENDITURES			
Debt Service Fund	1,737,162	408,066	415,000
Capital Projects Fund	3,746,676	-	-
Total expenditures	<u>5,483,838</u>	<u>408,066</u>	<u>415,000</u>
TRANSFERS OUT	<u>3,746,676</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>9,230,514</u>	<u>408,066</u>	<u>415,000</u>
ENDING FUND BALANCES	<u>\$ 683,811</u>	<u>\$ 518,594</u>	<u>\$ 518,594</u>
DEBT SERVICE RESERVE	<u>\$ 404,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>
TOTAL RESERVE	<u>\$ 404,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>

See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2026 BUDGET**  
**WITH 2024 ACTUAL AND 2025 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

**ASSESSED VALUATION**

Commercial	\$ 2,516,569	\$ 2,472,576	\$ 4,559,669
Agricultural	11	11	-
State assessed	4,140	4,293	3,430
Vacant land	473,965	473,917	233,715
Certified Assessed Value	\$ 2,994,685	\$ 2,950,797	\$ 4,796,814

**MILL LEVY**

Debt Service	40.537	40.882	41.888
Total mill levy	40.537	40.882	41.888

**PROPERTY TAXES**

Debt Service	\$ 121,396	\$ 120,634	\$ 200,929
Levied property taxes	121,396	120,634	200,929
Adjustments to actual/rounding	-	128	-
Budgeted property taxes	\$ 121,396	\$ 120,762	\$ 200,929

**BUDGETED PROPERTY TAXES**

Debt Service	\$ 121,396	\$ 120,762	\$ 200,929
	\$ 121,396	\$ 120,762	\$ 200,929

See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2026 BUDGET  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 426	\$ 426	\$ 426
REVENUES			
Total revenues	-	-	-
Total funds available	426	426	426
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ 426	\$ 426	\$ 426

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2026 BUDGET**  
**WITH 2024 ACTUAL AND 2025 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 536,104	\$ 683,385	\$ 518,168
REVENUES			
Property taxes	121,396	120,762	200,929
Specific ownership taxes	7,601	7,543	12,056
Interest income	5,093	19,869	20,000
Transfer from District No. 1 - PIF	96,921	60,800	92,000
Transfer from District No. 1 - Sales tax rebate	-	33,875	73,000
Transfer from District No. 3 - Property/SOT tax	-	-	13,555
Other revenue	108	-	3,460
Loan issuance proceeds	5,400,000	-	-
Total revenues	<u>5,631,119</u>	<u>242,849</u>	<u>415,000</u>
Total funds available	<u>6,167,223</u>	<u>926,234</u>	<u>933,168</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,436	2,448	4,019
Non-use fee	10,738	-	-
Paying agent fees	2,250	-	4,000
Miscellaneous	-	60	-
Contingency	-	-	3,070
Debt Service			
Loan interest - Series 2021A	16,458	-	-
Loan interest - Series 2024	48,852	301,392	294,905
Loan principal	-	104,166	109,006
Bond issue costs	218,000	-	-
Refunding escrow	1,438,428	-	-
Total expenditures	<u>1,737,162</u>	<u>408,066</u>	<u>415,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>3,746,676</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,483,838</u>	<u>408,066</u>	<u>415,000</u>
ENDING FUND BALANCES	<u>\$ 683,385</u>	<u>\$ 518,168</u>	<u>\$ 518,168</u>
DEBT SERVICE RESERVE	<u>\$ 404,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>
TOTAL RESERVE	<u>\$ 404,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>

See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2026 BUDGET  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	3,746,676	-	-
Total funds available	3,746,676	-	-
EXPENDITURES			
Capital Projects			
Transfer to District No. 1 (Public Improvements)	3,746,676		
Total expenditures	3,746,676	-	-
Total expenditures and transfers out requiring appropriation	3,746,676	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Brands Metropolitan District No. 2 (the "District") (formerly known as Eagle Crossing Loveland Metropolitan District No. 2) organization was approved by eligible electors of the District at an election held on November 4, 2014. The District was organized by order of the District Court in and for Larimer County on January 6, 2015. The formation of the District was approved by the City of Loveland, Colorado in conjunction with the approval by the City Council of a Consolidated Service Plan for the District, The Brands Metropolitan District No. 1, the Brands Metropolitan District No. 3, and the Brands Metropolitan District No.4 (formerly known as Eagle Crossing Loveland Metropolitan District No. 1, Eagle Crossing Loveland Metropolitan District No. 3, and Eagle Crossing Loveland Metropolitan District No. 4, respectively) on September 16, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on November 4, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, waterer and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

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

**Revenues**

**Property Taxes**

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

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

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**Specific Ownership Taxes**

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

**Transfers from The Brands Metropolitan District No. 1**

Pursuant to the First Amendment to BAA and PIF Revenues Assignment Agreement dated October 3, 2024, the Brands Metropolitan District No.1 will remit all Assigned Revenues, net of the annual operations amount, to the District for the benefit of repaying the Loan discussed under Debts and Leases.

**Transfers from The Brands Metropolitan District No. 3**

Pursuant to a certain Amended and Restated Capital Pledge Agreement dated October 3, 2024, Brands Metropolitan District No. 3 (District No. 3) agreed to impose a mill levy against all taxable property within District No. 3's boundaries to pay principal and interest due on the loan issued by the District in October 2024.

**Expenditures**

**County Treasurer's Fees**

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

**Debt Service**

Principal and interest payments for 2026 are provided based upon the debt amortization schedule of the Loan discussed below under Debt and Leases.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

In October 2024, the District entered into a loan agreement with Independent Bank dba Independent Financial to obtain a tax-exempt term loan, the Limited Tax General Obligation and Special Revenue Refunding Note, Series 2024, in the amount of \$5,400,000 (Loan). The Loan is due on October 3, 2029, with principal and interest due semiannually on June 1 and December 1. The Loan bears an interest rate of 5.520%. Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Proceeds from this Loan were used to: (a) refund the outstanding Series 2021A Note; (b) repay Developer-paid costs of public improvements; (c) funding the Debt Service Reserve Fund; (d) and cover loan issue costs.

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: (a) all Property Tax Revenues (as defined in the Loan Agreement); (b) all Specific Ownership Taxes (as defined in the Loan Agreement); (c) the Pledged Net PIF Revenues; (d) the Gross Sales Tax Revenues; (e) all Pledged PILOT Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue.

The District has no operating or capital lease.

**Reserves**

**Emergency Reserve**

The District has not provided an Emergency Reserve equal to at least 3% of fiscal year spending for 2026, as defined under TABOR, because there is no operating budget.

**Debt Service Reserve**

The District maintains a Debt Service Reserve as required with the issuance of the Loan.

**This information is an integral part of the accompanying budget.**

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2026**

**\$5,400,000**  
**Limited Tax General Obligation and**  
**Special Revenue Refunding Note, Series 2024**  
**Dated October 3, 2024**  
**Interest rate 5.520%**  
**Principal Due December 1**  
**Interest Payable June 1 and December 1**

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 109,006	\$ 294,905	\$ 403,911
2027	115,192	288,720	403,911
2028	120,929	282,983	403,912
2029	4,951,722	231,108	5,182,830
	<u>\$ 5,296,848</u>	<u>\$ 1,097,715</u>	<u>\$ 6,394,564</u>

See summary of significant assumptions.