

**CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 5**  
**2023 ANNUAL REPORT TO THE CITY OF LOVELAND**

Pursuant to the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 and the Amended and Restated Service Plan for Centerra Metropolitan District No. 5, Centerra Metropolitan District No. 1 (“District No. 1”), Centerra Metropolitan District No. 2 (“District No. 2”), Centerra Metropolitan District No. 3 (“District No. 3”), Centerra Metropolitan District No. 4 (“District No. 4”), and Centerra Metropolitan District No. 5 (“District No. 5”) (collectively, the “Districts”) are required to provide an annual report to the City of Loveland (“City”) with regard to certain matters that occurred during fiscal year 2023, except as otherwise provided below. In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report for the preceding calendar year to the City, the Division of Local Government, the State Auditor, and the Larimer County Clerk and Recorder. The Districts hereby submit this annual report to satisfy the above requirements for the year 2023.

**I. SERVICE PLAN – ANNUAL REPORT REQUIREMENTS.**

**A. Boundary changes made or proposed.**

There were no boundary changes for any of the Districts made or proposed in 2023.

**B. Intergovernmental Agreements with other governmental bodies entered into or proposed for 2023 and through the date of submission of this Annual Report.**

The Eighth Amendment to the Centerra Master Financing and Intergovernmental Agreement (the “Eighth Amendment to the MFA”) was entered into on or around June 8, 2023 by District No. 1, the City, Loveland Urban Renewal Authority (“LURA”), Centerra Properties West, LLC, Centerra Public Improvement Collection Corporation (the “PIC”), and Centerra Public Improvement Development Corporation (the “PID”) for the purpose of removing that certain parcel of land encompassing Centerra South Metropolitan District Nos. 1-3 from the Eighth Amendment to the MFA. The City is a party to this intergovernmental agreement, so no copy is provided with this Annual Report.

The Second Amendment to the Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee (the “Second Amendment to the PIF Covenant”) was executed on or around June 29, 2023 by District No. 1, the PIC, and the City, and consented to by the owners of more than 75% of the real property subject to the PIF Covenant for the purpose of removing a certain portion of land from the PIF Covenant. The City is a signatory to the Second Amendment to the PIF Covenant, so no copy is provided with this Annual Report.

The Hydrozone Agreement (Millennium East Seventh Subdivision, Railway Flats Outlot G, Meter Loc ID: 53430) was entered into on January 24, 2023, between District No. 1 and the City, a copy of which was recorded in the real property records of Larimer County on January 27, 2023, at Reception No. 20230003412. The City is a party to this intergovernmental agreement, so no copy is provided with this Annual Report.

The Hydrozone Agreement (Millennium East Seventh Subdivision, Railway Flats Phase II, Kendall Parkway ROW, Meter Loc ID: 50568, CIS Account No. 50568) was entered into on January 24, 2023, between District No. 1 and the City, a copy of which was recorded in the real property records of Larimer County on January 27, 2023 at Reception No. 20230003411. The City is a party to this intergovernmental agreement, so no copy is provided with this Annual Report.

District No. 1 entered into the First Amendment to Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements with Kinston Metropolitan District No. 1 on September 21, 2023, regarding the allocation of costs of public improvements attached hereto as **Exhibit A**.

District No. 1 entered into Addendums Nos. 5-6 to the Cost Sharing Agreement for Public Improvements Serving Centerra and Kinston Developments on October 19, 2023, regarding the allocation of costs of public improvements. Copies of the addendums are attached hereto as **Exhibit B**.

**C. Changes or proposed changes in the Districts' policies.**

On June 15, 2023, as amended on September 21, 2023, District No. 1 adopted and approved a Resolution Regarding District Facilities establishing rules and regulations regarding the use of the Districts' Park and Recreation Facilities as well as revising the permitting and application process for events in the Districts' Park and Recreation Facilities.

On October 30, 2023, the Districts' adopted and approved a Resolution Adopting and Approving a First Amended and Restated Public Records Policy Regarding the Inspection, Retention and Disposal of Public Records.

**D. Changes or proposed changes in the Districts' operations.**

There were no changes or proposed changes in the Districts' operations.

**E. Any changes in the financial status of the Districts including revenue projections, or operating costs.**

As previously reported, on April 16, 2017, District No. 1 issued its Special Revenue Refunding and Improvement Bonds, Series 2017, in the amount of \$187,975,000 ("2017

Bonds”), and District Nos. 2, 3, 4 and 5 agreed to pledge revenue for the payment of debt service on the 2017 Bonds. On December 20, 2018, District No. 1 issued its Special Revenue Improvements Bonds, Series 2018, in the amount of \$11,105,000 (“2018 Bonds”), and District Nos. 2, 3, 4 and 5 agreed to pledge revenue for the payment of debt service on the 2018 Bonds.

As previously reported, on October 28, 2020, District No. 1 issued its Special Revenue Refunding and Improvement Bonds, Series 2020A, in the amount of \$33,105,000 (“2020A Bonds”), and District Nos. 2, 3, 4 and 5 agreed to pledge revenue for the payment of debt service on the 2020A Bonds. Proceeds from the 2020A Bonds were used to (i) refund the tender of \$14,825,000 from the owners of the 2017 Bonds, (ii) finance the acquisition, construction, and installation of various public improvements, and (iii) fund a portion of the reserve fund securing the 2020A Bonds, (iv) fund capitalized interest, and (v) pay the costs of issuing the 2020A Bonds.

On November 30, 2022, District No. 1 issued its Special Revenue Improvement Bonds, Series 2022, in the amount of \$25,610,000 (the “Series 2022 Bonds”) and District Nos. 2, 3, 4 and 5 agreed to pledge revenue for the payment of the debt service on the 2022 Bonds. Proceeds from the 2022 Bonds are being used to (i) finance the cost of constructing public improvements; (ii) make a deposit to the Reserve Fund; (iii) finance capitalized interest; and (iv) pay the costs of issuing the 2022 Bonds.

Revenue projections and operating costs for the Districts are reflected in the 2024 Budget Resolutions for the Districts attached hereto as **Exhibit C**.

**F. A summary of any litigation which involves the Districts.**

The Districts were not involved in litigation in 2023.

**G. Contemplated plans for the year immediately following the year summarized in the annual report.**

The following plans are contemplated by the Districts for calendar year 2024:

1. I-25 and HWY 34 Landscaping: Construction of landscaping improvements at I-25 and HWY 34 started construction in Fall 2023 with estimated project completion in Summer of 2024.
2. Myers Subdivision Landscaping and Sidewalk: Construction of landscaping and flatwork improvements at Precision Drive is anticipated to start construction in Summer 2024 with estimated project completion in Fall 2024.
3. Kendall Parkway Underpass/Bus Stop Enhancements: Construction of enhancements to pedestrian tunnel and landscape improvements at Kendall Parkway and I-25 is

anticipated to start construction in Spring 2024 with estimated project completion in Summer 2024.

4. Parcel 504 Phase 3: Construction of water, sanitary sewer, storm sewer, and roadway improvements at Sky Pond Drive and Kendall Parkway is anticipated to start construction in Spring 2024 with estimated project completion in Fall 2024.
5. Kendall Parkway, Rocky Mountain to Centerra Parkway: Construction of roadway improvements at Kendall Parkway and Centerra Parkway is anticipated to start construction in Spring 2024 with estimated project completion in Summer 2024.
6. Kendall Parkway Landscaping: Construction of landscaping improvements at Kendall Parkway and Mirror Lake Drive is anticipated to start construction in Fall 2024 with estimated completion in Spring 2025.
7. Millennium East 13<sup>th</sup>: Construction of water, sanitary sewer, storm sewer, and roadway improvements at Centerra Parkway and Elk River Drive is anticipated to start construction in Spring of 2024 with estimated completion in Fall of 2024.
8. Regional Detention Pond: Construction of storm detention pond improvements at Centerra Parkway and Kinston Parkway is anticipated to start construction in Spring of 2024 with estimated completion in Fall of 2024.
9. Centerra Parkway Traffic Signals: Construction of traffic signal improvements at Centerra Parkway and Elk River Drive is anticipated to start construction in Spring of 2024 with estimated completion in Fall of 2024.
10. Parcel 205: Construction of public improvements at Kendall Parkway and John Glenn Drive is anticipated to start construction in the Fall of 2024 with estimated completion in Summer of 2025.

#### **H. Status of Public Improvement Construction Schedule.**

See Section G above for project construction schedules.

1. Parcel 504 Phase 2 Landscaping: The District granted initial acceptance of landscaping improvements at Hopper Lane, Kendall Parkway, and Sky Pond Drive on August 1, 2023, initiating a 1-year warranty period.
2. Parcel 301 Landscaping: The District granted final acceptance of landscaping improvements east of Boyd Lake Avenue and 15<sup>th</sup> Street on October 15, 2023.
3. Myers Group 5<sup>th</sup> Subdivision Landscaping: The District granted initial acceptance of landscaping improvements at Byrd, Test, and Precision Drive on October 1, 2023, initiating a 1-year warranty period.

4. Precision on the Tracks: The District granted initial acceptance of landscaping improvements at Byrd and Precision Drive on November 1, 2023, initiating a 1-year warranty period.

**I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City in 2023.**

1. Parcel 504 Phase 2: The City granted initial acceptance of sewer, water, streets at Kendall Parkway and Sky Pond Drive on June 1, 2023, initiating a 2-year warranty period.
2. Boyd Lake Ave South: The City granted final acceptance for streets/storm and water/sewer improvements at Boyd Lake and 15<sup>th</sup> Street in Spring 2023.
3. Savanna 5<sup>th</sup> Subdivision: The City granted final acceptance of the streets/storm and water/sewer improvements at Sally Ride Way and Viking Way in Spring 2023.
4. Northwest Arterial Roadways Phase 2: The City granted final acceptance of the water/sewer improvements at Boyd Lake Avenue between Carrie Lane and Kendall Parkway, and Kendall Parkway from Boyd Lake Avenue to Aldrin Drive, October 12, 2022. The District requested final acceptance of the streets/storm improvements from the City and the District contractor is working on correction of the punch list items with final acceptance anticipated in Spring 2024.
5. Parcel 301: The City granted initial acceptance of the streets/storm improvements east of Boyd Lake Avenue and 15<sup>th</sup> Street on January 1, 2022, initiating a 2-year warranty period. The City granted initial acceptance of the water/sewer improvements on July 29, 2022, initiating a 2-year warranty period.

**J. Summary of current assessed valuation in the Districts.**

The Districts received final certifications of valuation from the Larimer County Assessor that report the following assessed valuations for 2023:

	District No. 1	District No. 2*	District No. 3	District No. 4	District No. 5
Gross Total Taxable Assessed Valuation:	\$5,521,307	\$120,594,736	\$7,595,505	\$120,594,736	\$33,727,079
<i>Less Total TIF Area Increments:</i>	<i>(\$5,432,283)</i>	<i>(\$119,401,831)</i>	<i>(\$552,757)</i>	<i>(\$119,401,831)</i>	<i>(\$33,533,306)</i>
Net Total Taxable	\$89,024	\$1,192,905	\$7,042,748	\$1,192,905	\$193,773

Assessed Valuation:					
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\* Certain property that has been excluded from District No. 2 remains subject to its debt service mill levy for purposes of collecting the property’s pro rata share of District No. 2’s indebtedness existing immediately prior to the effective date of the property’s exclusion. The assessed valuation of the property that has been excluded from District No. 2 totals \$18,504,151 (gross); \$4,005,757 (net).

**K. Summary of Financial Information.**

1. A summary of the Districts’ assessed valuation is set forth in Paragraph J above.
2. The current total acreage of property within the Districts as of the date of submission of this report is as follows:

District No. 1:	39.066 acres
District No. 2:	1,408.640 acres
District No. 3:	571.341 acres
District No. 4:	1,411.032 acres
District No. 5:	49.383 acres

3. *Budgets:* Information on the following items required to be included in this Annual Report for District Nos. 1 – 5 is set forth in the Districts’ 2024 Budget Resolutions, attached hereto as **Exhibit C**, and in the Districts’ unaudited financial statements for the period ending December 31, 2023, attached hereto as **Exhibit D**.
  - (1) The Districts’ indebtedness (stated separately for each class of debt).
  - (2) The Districts’ debt service (stated separately for each class of debt).
  - (3) The Districts’ tax revenue.
  - (4) Other revenues of the Districts.
  - (5) Public improvement expenditures.
  - (6) Other District expenditures.
4. *Audits/ Audit Exemptions:* Audited financial statements for fiscal year 2023 for District No. 1 and District No. 2 will be submitted upon completion. Applications for exemption from audit will be submitted for District Nos. 3-5 upon completion.

**II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(C), C.R.S.) ANNUAL REPORT REQUIREMENTS:**

**A. Boundary changes made.**

See Section I.A. above.

**B. Intergovernmental agreements entered into or terminated with other governmental entities.**

See Section I.B. above regarding intergovernmental agreements entered into. No intergovernmental agreements were terminated.

**C. Access information to obtain a copy of rules and regulations adopted by the Boards.**

For information concerning rules and regulations adopted by the Districts please contact the Districts' manager:

Bryan Newby  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, CO 800537  
Attn: District Manager  
Phone: 970-669-3611  
Email: bryann@pcgi.com

**D. A summary of litigation involving public improvements owned by the Districts.**

In 2023, there was no litigation involving public improvements owned by the Districts.

**E. The status of the construction of public improvements by the Districts.**

See Sections I.G. and I.H. above.

**F. A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.**

See Section I.I. above.

**G. The final assessed valuation of the Districts as of December 31 of the reporting year.**

See Section I.J. above.

**H. A copy of the current year's budget.**

Copies of the Districts' 2024 Budget Resolutions are attached hereto as **Exhibit C**.

**I. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

Copies of audited financial statements for fiscal year 2023 for District No. 1 and District No. 2 will be submitted upon completion. Audits or applications for exemption from audit, as applicable, will be submitted for District Nos. 3-5 upon completion.

**J. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the Districts.**

As of December 31, 2023, and as of the submission date hereof, the Districts have not received any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

**K. Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety-day period.**

As of December 31, 2023 and as of the submission date hereof, the Districts do not have any inability to pay their obligations as they come due under any obligation which continued beyond a ninety (90) day period.



**EXHIBIT A**

First Amendment to Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS**

THIS FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS (the “First Amendment”) is made and entered into this 21st day of September, 2023 (the “Effective Date”), by and between KINSTON METROPOLITAN DISTRICT NO. 1 (the “Kinston District”) and CENTERRA METROPOLITAN DISTRICT NO. 1 (the “Centerra District”), quasi-municipal corporations and political subdivisions of the State of Colorado. The Kinston District and Centerra District are individually referred to herein as the “District” or the “Party,” and collectively referred to herein as the “Districts” or the Parties.”

**RECITALS**

WHEREAS, on February 20, 2020, the Parties entered into an Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements (the “Agreement”) for the purpose of consolidating all understandings and commitments between the Districts relating to the allocation of costs associated with the construction, installation, operations and maintenance of certain Improvements that will mutually benefit the Kinston Development and the Centerra Development; and

WHEREAS, unless otherwise defined herein, capitalize terms shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 3 of the Agreement, the Agreement may be amended from time to time by written agreement executed by both Districts; and

WHEREAS, pursuant to Paragraph 1 of the Agreement, if the Districts determine that a Kinston Project will benefit the Centerra Development, the Districts will allocate the costs associated with the Kinston Project between the Districts in an Addendum to the Agreement, which Addendum will include, but not be limited to, the methodology used in determining the allocation of costs between the Districts, the terms for the Centerra District to reimburse the Kinston District for the Centerra District’s share of the allocated costs, and any other provisions the Districts deem necessary; and

WHEREAS, the Districts have determined that certain Kinston Projects may be constructed by the Centerra District with reimbursement from the Kinston District for the Kinston District’s allocated share of costs; and

WHEREAS, the Parties have negotiated and desire to enter into this First Amendment, to provide for either the Kinston District or the Centerra District to construct certain Kinston Projects, which will mutually benefit the Kinston Development and the Centerra Development, with reimbursement to be received from the non-constructing Party.

## COVENANT AND AGREEMENT

1. Allocation of Costs of Improvements. The Parties hereby amend and restate Paragraph 1 of the Agreement in its entirety as follows:

The Districts hereby agree to review and analyze the costs associated with the development of the Kinston Development on a project by project basis (each project, a “Kinston Project”) to determine if the Kinston Project will mutually benefit the Kinston Development and the Centerra Development. If the Districts determine that a Kinston Project will mutually benefit the Kinston Development and the Centerra Development, the Districts shall allocate the costs associated with the Kinston Project between the Districts, with such allocation of costs to be set forth in a mutually executed Addendum to this Agreement. Such Addendum shall include, but not be limited to: (i) a description of the Kinston Project; (ii) the District responsible for the construction of the Kinston Project (the “Constructing District”); (iii) the District responsible for reimbursement of its allocated share of costs of the Kinston Project to the Construction District (the “Reimbursing District”); (iv) the cost of the Kinston Project; (v) the methodology used in determining the allocation of costs between the Districts for the Kinston Project; (vi) the payment terms for the Reimbursing District to reimburse the Constructing District for its share of the allocated costs, and (vii) any other provisions the Districts deem necessary.

2. Entire Agreement. Except as otherwise provided herein, the terms and provisions of the Agreement shall remain valid and in full force and effect. The Agreement and this First Amendment constitute and represent the entire, integrated agreement between the Districts with respect to the matters set forth therein and herein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This First Amendment shall become effective upon the Effective Date.

3. Counterparts. This First Amendment may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the Effective Date.

**KINSTON METROPOLITAN DISTRICT  
NO. 1**

By: DocuSigned by:  
*Tim DePeder*  
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Tim DePeder, Vice President

**CENTERRA METROPOLITAN DISTRICT  
NO. 1**

By: DocuSigned by:  
*Kim L. Perry*  
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Kim L. Perry, President

**EXHIBIT B**

Addendums Nos. 5-6 to the Cost Sharing Agreement for Public Improvements Serving Centerra  
and Kinston Developments

**ADDENDUM NO. 5 TO INTERGOVERNMENTAL AGREEMENT  
REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS**

THIS ADDENDUM NO. 5 TO INTERGOVERNMENTAL AGREEMENT REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS, AS AMENDED BY THAT FIRST AMENDMENT, (the “Addendum”) is made and entered into this 19<sup>th</sup> day of October, 2023 (the “Effective Date”), by and between KINSTON METROPOLITAN DISTRICT NO. 1 (the “Kinston District”) and CENTERRA METROPOLITAN DISTRICT NO. 1 (the “Centerra District”). The Kinston District and the Centerra District are collectively referred to herein as the “Districts” or the “Parties.”

A. The Kinston District and the Centerra District entered into an Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements dated February 20, 2020, as amended by that First Amendment to Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements on September 21, 2023 (collectively, the “Agreement”) relating to the allocation of costs associated with the construction, installation, operations and maintenance of any Improvements that will mutually benefit the “Kinston Development” and the “Centerra Development.” Unless otherwise provided in this Addendum, capital terms shall have the meaning given to them in the Agreement.

B. As provided in Paragraph 1 of the Agreement, if the Districts determine that a Kinston Project will mutually benefit the Kinston Development and the Centerra Development, the Districts shall allocate the costs associated with the Kinston Project between the Districts, with such allocation of costs to be set forth in a mutually executed Addendum to this Agreement. Such Addendum shall include, but not be limited to: (i) a description of the Kinston Project; (ii) the District responsible for the construction of the Kinston Project (the “Constructing District”); (iii) the District responsible for reimbursement of its allocated share of costs of the Kinston Project to the Constructing District (the “Reimbursing District”); (iv) the cost of the Kinston Project; (v) the methodology used in determining the allocation of costs between the Districts for the Kinston Project; (vi) the payment terms for the Reimbursing District to reimburse the Constructing District for its share of the allocated costs, and (vii) any other provisions the Districts deem necessary.

C. The Districts have determined that a Kinston Project will mutually benefit the Kinston Development and the Centerra Development and desire to set forth the allocation of costs for the Kinston Project and other related terms in this Addendum.

NOW, THEREFORE, in consideration of the foregoing recitals, the Districts hereby add the following Kinston Project and related terms to the Agreement:

1. Description of Kinston Project: Construction and installation of the public infrastructure improvements found in the Millennium East Thirteenth Subdivision Site Development Plans (the “Kinston Project”)

2. Constructing District: Centerra District

3. Reimbursing District: Kinston District

4. Total Cost of Kinston Project: \$3,541,047.85

5. Methodology for Allocation of Costs: The allocation of costs of the Kinston Project shall be allocated between the Districts based on the weighted average benefit to the Centerra District and the Kinston District, which is determined by calculating the expected revenues to be generated from a debt service mill levy imposed by Centerra Metropolitan District No. 2 (“CMD2”) and by Kinston Metropolitan District No. 10 (“KMD10”) on the “Overlap Area” (as defined herein) over 40 years, as set forth in **Exhibit A**. Based on this calculation, the Kinston District’s proportionate share of the total costs of the Kinston Project is 16% and the Centerra District’s proportionate share of the total costs of the Kinston Project is 84%. For purposes of this Addendum, the “Overlap Area” shall mean that area of real property located within the boundaries of KMD10, consisting of approximately 51.3636 acres, and subject to the CMD2 debt service mill levy and the KMD10 debt service mill levy.

6. Allocation of Costs to be Paid by the Centerra District: \$ 2,974,480.19

7. Allocation of Costs to be Paid by the Kinston District: \$ 566,567.66


8. Payment Terms. Upon completion of the Kinston Project, the Centerra District shall invoice the Kinston District for payment of the Kinston District’s proportionate share of costs for the Kinston Project, as set forth in Paragraph 7 hereof. Such invoice shall include a description of the Kinston Project, the work completed and the associated costs thereof, proof of payment of the total costs of the Kinston Project as set forth in Paragraph 4 hereof, and copies of the release of lien waivers, if applicable. The Kinston District, together with Kinston Metropolitan District Nos. 2 – 10 (“District Nos. 2 – 10”) as further acknowledged by District Nos. 2 – 10 below, hereby agree to pay Kinston District’s proportionate share of costs (as set forth in Paragraph 7 herein) to the Centerra District from the net proceeds of any bonds or other indebtedness issued by the Kinston District and/or District Nos. 2 – 10, with such issuance to made in the sole discretion of the Kinston District and/or District Nos. 2 – 10, prior to the Kinston District and/or District Nos. 2 – 10 using such proceeds for any other purpose. At the time of initial acceptance of the completed Kinston Project by the City of Loveland, Colorado or other governmental entity, the outstanding amount owed by the Kinston District to the Centerra District for the Kinston Project shall bear interest at 6.500% per annum (calculated based on a 360-day year of twelve 30-day months).

9. Integration. The Agreement and this Addendum No. 5 contains the entire agreement between the Districts regarding the subject matter hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in this Agreement or separate written instrument shall be valid or binding.

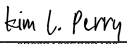
10. Counterparts. This Addendum may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Districts have executed this Addendum on the Effective Date.

**KINSTON METROPOLITAN DISTRICT  
NO. 1**

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By: Tim DePeder, Vice President

**CENTERRA METROPOLITAN DISTRICT  
NO. 1**

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By: Kim L. Perry, President



**ACKNOWLEDGEMENT OF KINSTON METROPOLITAN DISTRICT NOS. 2 – 10  
(TO ADDENDUM NO. 5)**

By signature below, Kinston Metropolitan District Nos. 2 – 10 (the “Kinston Districts”) hereby agree to apply the proceeds from any bonds or other indebtedness issued by one of more of the Kinston Districts, in the sole discretion of such Kinston Districts, to the payment of any amounts then-outstanding to the Centerra District, as provided in Paragraph 8 of Addendum No. 5, dated October 19, 2023, and issued pursuant to the Intergovernmental Agreement Regarding Allocation Of Costs Of Public Improvements, as amended by that First Amendment to Intergovernmental Agreement Regarding Allocation Of Costs Of Public Improvements.

**KINSTON METROPOLITAN DISTRICT  
NOS. 2 - 10**

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By: Tim DePeder, Vice President

**EXHIBIT A****COST ALLOCATION METHODOLOGY**

Debt Mill Levy							
Year	Collection Year	Assessed Value	Centerra 2	Kinston 10	Est Centerra Revenue	Est Kinston Revenue	Total Revenue
1	2023	1,270	115.537	18.000	147	23	170
2	2024	1,290,117	115.537	18.000	149,056	23,222	172,278
3	2025	3,656,198	115.537	18.000	422,426	65,812	488,238
4	2026	5,241,853	115.537	18.000	605,628	94,353	699,981
5	2027	6,995,650	115.537	18.000	808,256	125,922	934,178
6	2028	8,536,978	115.537	18.000	986,337	153,666	1,140,002
7	2029	9,398,741	115.537	18.000	1,085,902	169,177	1,255,080
8	2030	10,336,889	52.000	10.000	537,518	103,369	640,887
9	2031	10,336,889	52.000	10.000	537,518	103,369	640,887
10	2032	10,957,103	52.000	10.000	569,769	109,571	679,340
11	2033	10,957,103	52.000	10.000	569,769	109,571	679,340
12	2034	11,614,529	52.000	10.000	603,956	116,145	720,101
13	2035	11,614,529	52.000	10.000	603,956	116,145	720,101
14	2036	12,311,400	52.000	10.000	640,193	123,114	763,307
15	2037	12,311,400	52.000	10.000	640,193	123,114	763,307
16	2038	13,050,084	52.000	10.000	678,604	130,501	809,105
17	2039	13,050,084	52.000	10.000	678,604	130,501	809,105
18	2040	13,833,089	52.000	10.000	719,321	138,331	857,652
19	2041	13,833,089	52.000	10.000	719,321	138,331	857,652
20	2042	14,663,075	52.000	10.000	762,480	146,631	909,111
21	2043	14,663,075	52.000	10.000	762,480	146,631	909,111
22	2044	15,542,859	52.000	10.000	808,229	155,429	963,657
23	2045	15,542,859	52.000	10.000	808,229	155,429	963,657
24	2046	16,475,431	52.000	10.000	856,722	164,754	1,021,477
25	2047	16,475,431	52.000	10.000	856,722	164,754	1,021,477
26	2048	17,463,957	52.000	10.000	908,126	174,640	1,082,765
27	2049	17,463,957	52.000	10.000	908,126	174,640	1,082,765
28	2050	18,511,794	52.000	10.000	962,613	185,118	1,147,731
29	2051	18,511,794	52.000	10.000	962,613	185,118	1,147,731
30	2052	19,622,502	52.000	10.000	1,020,370	196,225	1,216,595
31	2053	19,622,502	52.000	10.000	1,020,370	196,225	1,216,595
32	2054	20,799,852	52.000	10.000	1,081,592	207,999	1,289,591
33	2055	20,799,852	52.000	10.000	1,081,592	207,999	1,289,591
34	2056	22,047,843	52.000	10.000	1,146,488	220,478	1,366,966
35	2057	22,047,843	52.000	10.000	1,146,488	220,478	1,366,966
36	2058	23,370,714	52.000	10.000	1,215,277	233,707	1,448,984
37	2059	23,370,714	52.000	10.000	1,215,277	233,707	1,448,984
38	2060	24,772,956	52.000	10.000	1,288,194	247,730	1,535,923
39	2061	24,772,956	52.000	10.000	1,288,194	247,730	1,535,923
40	2062	26,259,334	52.000	10.000	1,365,485	262,593	1,628,079
					33,022,142	6,202,249	39,224,391
<b>Weighted Percentage Benefit</b>					<b>84%</b>	<b>16%</b>	

**ADDENDUM NO. 6 TO INTERGOVERNMENTAL AGREEMENT  
REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS**

THIS ADDENDUM NO. 6 TO INTERGOVERNMENTAL AGREEMENT REGARDING ALLOCATION OF COSTS OF PUBLIC IMPROVEMENTS, AS AMENDED BY THAT FIRST AMENDMENT, (the “Addendum”) is made and entered into this 19<sup>th</sup> day of October, 2023 (the “Effective Date”), by and between KINSTON METROPOLITAN DISTRICT NO. 1 (the “Kinston District”) and CENTERRA METROPOLITAN DISTRICT NO. 1 (the “Centerra District”). The Kinston District and the Centerra District are collectively referred to herein as the “Districts” or the “Parties.”

A. The Kinston District and the Centerra District entered into an Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements dated February 20, 2020, as amended by that First Amendment to Intergovernmental Agreement Regarding Allocation of Costs of Public Improvements on September 21, 2023 (collectively, the “Agreement”) relating to the allocation of costs associated with the construction, installation, operations and maintenance of any Improvements that will mutually benefit the “Kinston Development” and the “Centerra Development.” Unless otherwise provided in this Addendum, capital terms shall have the meaning given to them in the Agreement.

B. As provided in Paragraph 1 of the Agreement, if the Districts determine that a Kinston Project will mutually benefit the Kinston Development and the Centerra Development, the Districts shall allocate the costs associated with the Kinston Project between the Districts, with such allocation of costs to be set forth in a mutually executed Addendum to this Agreement. Such Addendum shall include, but not be limited to: (i) a description of the Kinston Project; (ii) the District responsible for the construction of the Kinston Project (the “Constructing District”); (iii) the District responsible for reimbursement of its allocated share of costs of the Kinston Project to the Constructing District (the “Reimbursing District”); (iv) the cost of the Kinston Project; (v) the methodology used in determining the allocation of costs between the Districts for the Kinston Project; (vi) the payment terms for the Reimbursing District to reimburse the Constructing District for its share of the allocated costs, and (vii) any other provisions the Districts deem necessary.

C. The Districts have determined that a Kinston Project will mutually benefit the Kinston Development and the Centerra Development and desire to set forth the allocation of costs for the Kinston Project and other related terms in this Addendum.

NOW, THEREFORE, in consideration of the foregoing recitals, the Districts hereby add the following Kinston Project and related terms to the Agreement:

1. Description of Kinston Project: Construction and installation of regional pond public infrastructure improvements found in the Centerra Regional Pond One Interim Improvements Civil Construction Plans (the “Kinston Project”)

2. Constructing District: Centerra District

3. Reimbursing District: Kinston District

4. Total Cost of Kinston Project: \$ 949,847.30

5. Methodology for Allocation of Costs: The allocation of costs of the Kinston Project shall be allocated between the Districts based on the square footage (“SF”) of flows received by the regional pond from the Kinston Development and the Centerra Development over a total of 17,528,243 SF (“Total SF”) of flows received by the regional pond from both Developments. The regional pond will receive flows from 9,714,987 SF in the Kinston Development or 55.425% of the Total SF, and from 7,813,256 SF in the Centerra Development or 44.575% of the Total SF. Based on this calculation, the Kinston District’s proportionate share of the total costs of the Kinston Project is 55.425% and the Centerra District’s proportionate share of the total costs of the Kinston Project is 44.575%.

6. Allocation of Costs to be Paid by the Centerra District: \$ 423,394.43

7. Allocation of Costs to be Paid by the Kinston District: \$ 526,452.87


8. Payment Terms. Upon completion of the Kinston Project, the Centerra District shall invoice the Kinston District for payment of the Kinston District’s proportionate share of costs for the Kinston Project, as set forth in Paragraph 7 hereof. Such invoice shall include a description of the Kinston Project, the work completed and the associated costs thereof, proof of payment of the total costs of the Kinston Project as set forth in Paragraph 4 hereof, and copies of the release of lien waivers, if applicable. The Kinston District, together with Kinston Metropolitan District Nos. 2 – 10 (“District Nos. 2 – 10”) as further acknowledged by District Nos. 2 – 10 below, hereby agree to pay Kinston District’s proportionate share of costs (as set forth in Paragraph 7 herein) to the Centerra District from the net proceeds of any bonds or other indebtedness issued by the Kinston District and/or District Nos. 2 – 10, with such issuance to made in the sole discretion of the Kinston District and/or District Nos. 2 – 10, prior to the Kinston District and/or District Nos. 2 – 10 using such proceeds for any other purpose. At the time of initial acceptance of the completed Kinston Project by the City of Loveland, Colorado or other governmental entity, the outstanding amount owed by the Kinston District to the Centerra District for the Kinston Project shall bear interest at 6.500% per annum (calculated based on a 360-day year of twelve 30-day months).

9. Integration. The Agreement and this Addendum No. 5 contains the entire agreement between the Districts regarding the subject matter hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in this Agreement or separate written instrument shall be valid or binding.


10. Counterparts. This Addendum may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Districts have executed this Addendum on the Effective Date.

**KINSTON METROPOLITAN DISTRICT  
NO. 1**

DocuSigned by:  
  
8E647B7DD87F46B...  
By: Tim DePeder, Vice President


**CENTERRA METROPOLITAN DISTRICT  
NO. 1**

DocuSigned by:  
  
8D62BA06E86D4C3...  
By: Kim L. Perry, President

**ACKNOWLEDGEMENT OF KINSTON METROPOLITAN DISTRICT NOS. 2 – 10  
(TO ADDENDUM NO. 6)**

By signature below, Kinston Metropolitan District Nos. 2 – 10 (the “Kinston Districts”) hereby agree to apply the proceeds from any bonds or other indebtedness issued by one of more of the Kinston Districts, in the sole discretion of such Kinston Districts, to the payment of any amounts then-outstanding to the Centerra District, as provided in Paragraph 8 of Addendum No. 6, dated October 19, 2023, and issued pursuant to the Intergovernmental Agreement Regarding Allocation Of Costs Of Public Improvements, as amended by that First Amendment to Intergovernmental Agreement Regarding Allocation Of Costs Of Public Improvements.

**KINSTON METROPOLITAN DISTRICT  
NOS. 2 - 10**

DocuSigned by:  
  
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By: Tim DePeder, Vice President

**EXHIBIT C**

2024 Budget Resolutions

**EXHIBIT D**

2023 Unaudited Financial Statements