

RESOLUTION #R-31-2009

**A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING
THE AMENDED AND RESTATED SERVICE PLAN FOR CENTERRA
METROPOLITAN DISTRICT NO. 5**

WHEREAS, the City of Loveland (the "City") City Council (the "Council") approved a Service Plan for Centerra Metropolitan District No. 5 ("Original Service Plan") on September 16, 2008, as evidenced by City Council Resolution #R-109-2008 (the "Resolution"); and

WHEREAS, Centerra Metropolitan District No. 5 (the "District") was subsequently organized after approval of the eligible electors of the District at a regular election held on November 4, 2008; and

WHEREAS, pursuant to Section I.B. of the Original Service Plan and Section 6 of the Resolution, the District shall not have any authority to undertake any activity except minimal administrative or ministerial activities required by State law to maintain the District as a lawfully existing political subdivision of the State of Colorado; to utilize any such voted authorization; to issue debt of any type or amount; to certify any mill levy; to levy taxes; to impose fees or charges; or to undertake any construction activities until such time as an Amended Service Plan is filed with and approved by the City Council; and

WHEREAS, the District desires to undertake activities other than administrative or ministerial activities and, pursuant to Sections 32-1-204.5 and 32-1-207, C.R.S., as amended, has submitted an Amended and Restated Service Plan (the "Amended Service Plan") to the City Council for approval; and

WHEREAS, a copy of said Amended Service Plan is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Amended Service Plan was duly published in the *Loveland Reporter-Herald* on March 3, 2009, as required by law, as evidenced by the Certification of Mailing Notice of Hearing and Publication attached hereto as Exhibit "B" and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail on February 25, 2009 to interested persons, defined as follows: (1) the Colorado Division of Local Government; and (2) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three miles of the proposed District's boundaries, as evidenced by the Certification of Mailing Notice of Hearing and Publication attached hereto as Exhibit "B;" and

WHEREAS, the City Council has considered the Amended Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

Section 2. That the City Council hereby determines that the requirements of Section 32-1-207, C.R.S., relating to the filing of the Amended Service Plan for the District; the requirements of Sections 32-1-204(1) and (1.5), C.R.S., relating to the notice of the hearing before the City Council; and the requirements of Section 32-1-204.5, relating to the approval of the Amended Service Plan by the City Council have been fulfilled in a timely manner.

Section 3. That the City Council hereby finds that the Amended Service Plan is in the best interests of the property to be served, the City and the District.

Section 4. That the City Council does hereby approve the Amended Service Plan for the District, as submitted, permitting the District to undertake all activities as described therein.

Section 5. That the City Council's findings in this Resolution and its approval of the Amended Service Plan is conditioned upon the proponents of the Amended Service Plan paying all charges and fees it has incurred by the City for its bond counsel and public finance consultant relating to their review of the Amended Service Plan.

Section 6. That nothing herein limits the City's powers with respect to the District, the property within the District, or the improvements to be constructed by the District.

Section 7. That the City Council's findings are based solely on the evidence presented at the public hearing and that the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the District or the achievability of the results as set forth in the Amended Service plan.

Section 8. That this Resolution shall take effect on the date and at the time of its adoption by the City Council.

ADOPTED this 24th day of March, 2009.

Eugene N. Pielin, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

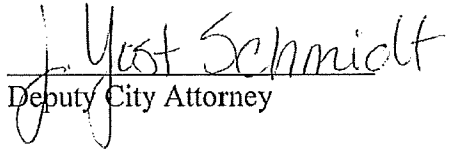

Deputy City Attorney

EXHIBIT A

Amended and Restated Service Plan for Centerra Metropolitan District No. 5

AMENDED AND RESTATED SERVICE PLAN
FOR
CENTERRA METROPOLITAN DISTRICT NO. 5

Prepared by

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Denver, Colorado 80202

As submitted to the City of Loveland on March 13, 2009

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EXHIBIT A – District Boundary Map and Legal Description

EXHIBIT B – Vicinity Map

EXHIBIT C – Boundary Map and Legal Description of Future Inclusion Area

EXHIBIT D – Rendering of Proposed Improvements

EXHIBIT E – Cost Estimates

EXHIBIT F – Financing Plan

EXHIBIT G – Statutory Contents of Service Plan

I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This Amended and Restated Service Plan (“Service Plan”) for Centerra Metropolitan District No. 5 (the “District”), constitutes the service plan for a special district organized to serve the needs of a portion of the Centerra development, a mixed-use project located within the boundaries of the City of Loveland (the “City”), Larimer County (the “County”), Colorado. This Service Plan replaces and supersedes in all respects the initial service plan for the District, approved by the Loveland City Council (“City Council”) on September 16, 2008, by Resolution #R-109-2008. The City Council’s approval of this Service Plan shall not be deemed or construed to limit the City’s powers with respect to the District, the property within the District’s boundaries, or the improvements to be constructed by the District, nor shall this Service Plan be construed as a contract between the District and the City.

The Centerra development currently includes four metropolitan districts known as the Centerra Metropolitan Districts Nos. 1-4 (referred to herein collectively as the “Centerra Districts”). In general, the District will serve to provide funding for the construction, operation and maintenance of the facilities and improvements described herein. It is contemplated that the District may enter into agreements with one or more of the Centerra Districts to coordinate the financing and provision of the facilities and improvements described herein; however, nothing in this Service Plan shall obligate the District to enter into such agreements.

The District’s current boundaries consist of approximately 135 acres and are intended for commercial/industrial uses. A legal description and boundary map of the District are contained in **Exhibit A** attached to this Service Plan. A vicinity map, showing the location of the District is contained in **Exhibit B** attached to this Service Plan. Additional property consisting of approximately 139 acres may, in the future, be included into the boundaries of the District (“Future Inclusion Area”). A legal description and boundary map of the Future Inclusion Area are contained in **Exhibit C** attached to this Service Plan.

The property within the District is located within the Flex URA Modification Area, as defined herein. On September 2, 2008, by Resolution #R-98-2008, the City Council approved an amendment to the U.S. 34/Crossroads Corridor Renewal Plan (“Urban Renewal Plan”), which added approximately 509 acres to the Urban Renewal Plan (“Flex URA Modification Area”), creating a Modified URA Plan Area. The intent of this modification is to provide for maximum land use flexibility while not increasing the net developable acreage eligible to capture property tax increment revenues beyond that originally permitted in the Urban Renewal Plan. To that end, upon final certification to the County that development of the total net developable acreage of the Modified URA Plan Area has occurred, the remaining acreage within the Modified URA Plan Area will be excluded from the property covered by the Urban Renewal Plan. The Third Amendment to the Centerra Master Financing and Intergovernmental Agreement, dated October 28, 2008, mandates how tax increment revenues generated from the Modified URA Plan Area may be used to finance public improvements needed to implement the Urban Renewal Plan. A proposed Fourth Amendment to the Centerra Master Financing and Intergovernmental Agreement has been submitted to the City concurrently with the submission

of this Service Plan, which Fourth Amendment sets forth the applicability of the Centerra Master Financing and Intergovernmental Agreement to the property within the District's boundaries.

The public improvements to be furnished by the District as well as a demonstration of how the District will best provide the public improvements in a cost effective manner, from available resources and by coordination with surrounding service providers, are described herein. The information provided herein is preliminary in nature and is subject to change as development within the District evolves.

2. Configuration of District. The District contains approximately 135 acres. The "service area" (the area legally permitted to be served) for the District will consist of the entire area within the District's boundaries and the entire area within the boundaries of the Centerra Metropolitan Districts Nos. 1-4, as they may be amended from time to time. The District will have power to impose taxes and other charges permitted by law only within its legal boundaries, but will be permitted to provide public services to property or individuals outside of the District's boundaries.

At build-out, the development within the boundaries of the District is anticipated to contain approximately 1,728,460 square feet of commercial/industrial space.

Except as otherwise provided herein, all boundary adjustments which add to, or subtract from, the total acreage of the District shall be considered a material modification of this Service Plan and require the prior written approval of the City Council. The Future Inclusion Area may be included within the boundaries of the District without further approval by the City upon compliance with the procedures set forth in § 32-1-401, *et seq.*, C.R.S. In addition, no approval from the City Council shall be required for the exclusion of acreage from the District when the excluded property is to be subsequently included into the boundaries of Centerra Metropolitan Districts Nos. 2 and/or 4 at the time of exclusion from the District or at some point in the future; provided, however, that prior to any such exclusion, the City Manager in consultation with the City Attorney has provided a written determination that such exclusion is consistent with the terms of the Centerra Master Financing and Intergovernmental Agreement and does not adversely affect the City's interests thereunder. Any such adjustment shall be effected pursuant to § 32-1-401, *et seq.*, C.R.S. and § 32-1-501, *et seq.*, C.R.S.

3. Long-Term District Plan. The payment of the District's Debt, as hereinafter defined, for capital improvements will be managed through the development of a financing plan for those improvements and through the development of an operating plan for long-term operations and maintenance. After all Debt instruments have been issued by the District and adequate provisions have been made for payment of all of the District's Debt, the electorate of the District will have the opportunity to consider either the consolidation of the District with one or more of the Centerra Districts, or the dissolution of the District in accordance with State law. The District will consider such consolidation and/or dissolution at the time the District's Debt has been paid and adequate provisions have been made for the operation and maintenance of all of the District's facilities. Additionally, the City may request, and the District shall undertake upon such request, initiation of consolidation proceedings in accordance with Title 32, Section 1, Part 6 of the Colorado Revised Statutes. Ultimately, control of these decisions will rest with the electorate in the District. At any

time, the City may file an application with the District's Board pursuant to § 32-1-701(3) C.R.S., or other applicable State law, and the District shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the District shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve. The Board of Directors of the District will be deemed to have agreed with the City to dissolve without election pursuant to § 32-1-704(3)(b) C.R.S., and the District shall thereupon dissolve.

4. City Policy. Notwithstanding anything contained herein to the contrary, the District shall be subject to and comply with all applicable provisions of the City's Charter, Code, ordinances, resolutions, rules, regulations, standards and policies ("City Policy").

5. Dedication of Improvements. The District shall, in accordance with City Policy, dedicate, or cause to be dedicated on its behalf, all public improvements customarily dedicated to the City. The District acknowledges, however, that the City shall not be required to accept dedication of any such public improvements except in accordance with City Policy. These improvements include, but are not limited to: public water and wastewater improvements, all public streets and those streets dedicated by plat, storm sewer systems, including inlets and underground pipes within public rights-of-way, all public sidewalks as well as all rights-of-way and easements necessary for access to facilities. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with State and Federal laws, regulations and standards, and in accordance with City Policy. It is anticipated that the District shall own and maintain or cause to be maintained all neighborhood parks, all recreational improvements, and any potable or non-potable irrigation systems. However, in accordance with City Policy, and upon agreement by the City and the District, the City may accept, but shall not be required to accept, dedication of neighborhood parks, recreational improvements, and potable and non-potable irrigation systems. Any parking lots, parking structures, and other off-street parking facilities shall not be dedicated to the City, but shall be owned, operated, and maintained by the District.

Operations and maintenance of those improvements dedicated to the City in accordance with City Policy shall rest with the City. However, the District shall maintain all landscaping in the public rights-of-way unless such obligation is expressly accepted by the City. In the event the District constructs enhanced amenities which exceed City standards under City Policy, the City and the District must first agree as to the operation and maintenance of such enhanced amenities prior to the City's acceptance of any such improvements. All park and recreation and landscaping improvements, including waterways and associated landscaping not dedicated to and accepted by the City shall be owned, operated, and maintained by the District, either directly or by contract with another entity such as a property owners association.

Storm sewer systems, including inlets and underground pipes within public rights-of-way, shall be conveyed to the City for purposes of reporting on Municipal Separate Storm Sewer System (MS4) Reports. The District shall retain such easements as are necessary to operate and maintain landscaping and related improvements associated with such storm drainage and detention areas. The District shall further retain such easements as are necessary to operate and maintain all detention ponds, their respective outlet works, water quality components, and outlet pipes from the detention ponds to the point of terminus.

The District may, at its sole cost and expense, acquire all property required by the City for the construction of public improvements to be provided by the District pursuant to this Service Plan. The District may acquire any interests in property, leases and easements necessary to the functions or the operation of the District, except that the District shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation, or law or in accordance with City Policy. Accordingly, the District shall not purchase from the Developer any interest in real property that is customarily dedicated by developers to the City in accordance with City Policy.

In the event that the City determines that public improvements have been constructed in accordance with City Policy and will be accepted by the City in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted, by the District or the Developer, for a period of two calendar years from the date of such initial acceptance, or such other warranty period as may be required by City Policy. Should the public improvements conform to the City's specifications and standards, the City shall issue a "Final Acceptance" form letter to the District at the completion of the applicable warranty period. At the City's discretion, dedication of public improvements may take place after the expiration of the applicable warranty period.

Failure of the District to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without the prior written approval of the City Council.

6. Existing Services and Districts. There are currently no other entities in existence in the area of the proposed development which have the ability and/or desire to undertake the design, financing, construction, operation and maintenance of the improvements which are needed for the community. It is also the District's understanding that the City does not consider it feasible or practicable to provide the necessary services and facilities for the development, as further described herein. Consequently, use of the District is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the District intends to utilize existing entities, to the extent possible for operations and maintenance of public improvements. Consequently, while the District will finance capital improvements and coordinate the provision of services, the District is expected to utilize existing entities and personnel as much as possible. As described above, certain public improvements, including sanitary sewer and water improvements (other than potable or non-potable irrigation systems), storm drainage, streets, and traffic safety and signalization, will be conveyed to the City by the District and subsequent operations and maintenance of these improvements shall rest with the City. Park and recreation improvements may be conveyed to the City or may be owned, operated and maintained by the District, as described in greater detail above. The timing for conveyance of the improvements will be as provided in this Service Plan and in accordance with City Policy.

7. Property Owner Associations. Certain services may be provided within the District by one or more property owner associations expected to be organized as Colorado non-

profit organizations comprised of all property owners in the District. The associations may provide architectural control services, community organizations, community events and activities, community marketing, security, recreational amenity maintenance, common area maintenance, and other programs which may be beyond the scope or financial capacity of the District.

B. General Financial Information and Assumptions

The 2008 assessed valuation of all taxable property within the boundaries of the District was approximately \$77,340.00. At build-out, the total assessed valuation within the District is estimated to be approximately \$32,581,471.

The anticipated cost of improvements necessary to provide access to, and appropriate services within, the District are estimated in **Exhibit E**. Costs are shown for each category of improvements anticipated to be constructed. The District may obtain financing for the capital improvements needed for the development through the issuance of Debt instruments by the District. General obligation Debt will be payable from revenues derived from ad valorem property taxes and from other sources. At the time Debt instruments are proposed to be issued, alternative financing plans may be employed and be utilized by the District as long as such alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of infrastructure described herein can be generated with reasonable mill levies. The figures contained herein depicting costs of infrastructure and operations shall not constitute legal limits on the financial powers of the District; provided, however, that the District shall not be permitted to issue Debt which is not in compliance with the bond registration and issuance requirements of Colorado law. --

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and a preliminary engineering plan showing how the facilities and services for the District can be provided and financed by the District. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of a special district. Those items are listed in **Exhibit G** attached hereto. Each of the requirements of law is satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the District, as well as the current status and projected future level of similar services was obtained from the Developer. Cost estimates and descriptions of the public improvements were provided by Northern Engineering, Inc., Empire Management, Inc., and Pinnacle Consulting Group, Inc., which have experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by Icenogle, Norton, Smith, Gilida & Pogue, P.C., which represents numerous special districts. Preparation of the Financing Plan was provided by Pinnacle Consulting Group, Inc. The owner and Developer of the real property within the District is Centerra Properties West, LLC, an affiliate of McWhinney Real Estate Services, Inc., a real estate development company with experience in residential and commercial development in Northern Colorado.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the District, the cost estimates and financing plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Service Plan as zoning changes. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then current zoning for the property and consistent with City Policy. Except as otherwise provided herein, all boundary adjustments which add to, or subtract from, the total acreage of the District shall be considered a material modification of this Service Plan and shall require the prior written approval of the City Council.

II. NEED FOR DISTRICT AND GENERAL POWERS

A. Need for Metropolitan District

The property within the boundaries of District is currently undeveloped. The purpose of the District will be to finance the public improvements for the benefit of its occupants, taxpayers, and visitors. No other entities exist which will finance the construction of the facilities needed for the District. It is not the District's intent to provide ongoing services other than as specifically set forth herein, or as might be authorized by the City from time to time. The District acknowledges the need to cooperate with the City in order to properly serve and promote the health, safety and welfare of its inhabitants and it hereby expresses its intention to do so. In order to make the most efficient utilization of existing governmental entities, the District may enter into intergovernmental agreements for the financing and construction of certain improvements and for operations and maintenance of certain improvements.

B. General Powers of District

The District will have the power and authority to provide the public improvements and related operation and maintenance services described in this Section both within and outside its boundaries as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein. The powers and authorities of the District may be further allocated and refined in one or more intergovernmental agreements with one or more of the Centerra Districts. For purposes of the Special District Control Act, such intergovernmental agreements shall not constitute an amendment of this Service Plan; provided that such intergovernmental agreements are consistent with the terms of this Service Plan. Any intergovernmental agreement not compliant with the terms of this Service Plan shall be deemed a material modification of this Service Plan, and shall require the prior written approval of the City Council.

The District will ensure that the proposed public improvements are designed and constructed in accordance with City Policy and/or the standards and specifications of other entities

which may operate and maintain the completed improvements. In accordance with City Policy, the District will obtain City approval of civil engineering plans and a permit from the City for construction and installation of all improvements.

1. Sanitation and Storm Drainage. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, channels, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, fishing ponds, water quality control facilities, retaining walls, erosion control structures and appurtenances, roadside swales and curb and gutter, wastewater lift stations, force mains, and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The District shall not design, acquire, install, construct, finance, operate or maintain any wastewater treatment or disposal works or facilities without the express prior written approval of the City Council.

2. Water. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of a complete potable water and non-potable irrigation water system, including, but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, as well as any and all extensions of and improvements made thereto. The District shall not design, acquire, install, construct, finance, operate or maintain any water well or water treatment or storage works or facilities, other than as may be required in connection with any non-potable irrigation system designed, acquired, installed, constructed, financed, operated or maintained as described in Section III.B.4. of this Service Plan without the express prior written approval of the City Council.

3. Streets. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of street and roadway improvements, exclusive of water or sewer improvements, including, but not limited to: curbs, gutters, culverts, storm sewers and other natural or man-made drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

4. Traffic and Safety Controls. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, main entry buildings, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information

signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

5. Parks and Recreation. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, swimming pools and spas, tennis courts, exercise facilities, cultural and community facilities, bike paths, hiking trails, pedestrian trails, pedestrian bridges, pedestrian malls, plaza areas and amenities, public fountains and sculpture, picnic areas, urban village green spaces, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

6. Transportation. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities, parking lots, parking structures, roofs, covers, and related facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The foregoing shall include, but not be limited to, public facilities for structures consisting of restrooms, buses, automobiles, and other means of conveyance, as well as structures relating to the repair, operations and maintenance of the same. The District shall not design, acquire, install, construct, finance, operate or maintain any system to transport the public by bus, rail, or any other means of conveyance, or any combination thereof, without first entering into an intergovernmental agreement with the City, as required by § 32-1-1004(5), C.R.S.

7. Television Relay and Translator. The District shall have the power to provide for the design, acquisition, construction, completion, installation, financing, and/or operation and maintenance of television relay and translator facilities, including but not limited to, cable television and communication facilities, satellite television facilities, Internet and other telecommunication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

8. Mosquito and Pest Control. The District shall have the power to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of systems and methods for the elimination and control of mosquitoes, rodents and other pests.

9. Covenant Enforcement. The District shall have the power to provide covenant enforcement and design review services within the District if the District and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the District name the District as the enforcement or design review entity. The District shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

10. Security. The District shall have the power to furnish security services for any area within the District's boundaries. Prior to furnishing any security services, the District shall provide written notification to, consult with, and obtain the prior written consent of the City's Chief of Police and any applicable master association or similar body having authority in its charter or declaration to furnish security services within the District's boundaries.

11. Legal Powers. The powers of the District will be exercised by its Board of Directors to the extent necessary to provide the public improvements and services contemplated in this Service Plan. The foregoing public improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable State laws, City Policy, and this Service Plan, as any or all of the same may be amended from time to time.

12. Other. In addition to the powers enumerated above, the District's Board shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, provided that any material modification of this Service Plan shall be made only with the prior written approval of the City Council in accordance with § 32-1-207, C.R.S.; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability and potential inclusions of property within the District, and to determine if some or all of the improvements and facilities contemplated herein would best be performed by another entity; and

c. To exercise all such powers as are expressly or impliedly granted by Colorado law with respect to the powers authorized above; and

d. Except as otherwise limited herein, to exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Board of Directors of the District as necessary to further the exercise of the powers expressly authorized by this Service Plan.

13. Condemnation. Absent the prior written approval of the City Council, the District shall not exercise its statutory power of eminent domain and dominant eminent domain for the purpose of condemning any property outside of the District's boundaries, including any property owned by the City. Additional approval from the City Council shall not be required prior to the District's exercise of its statutory power of eminent domain and dominant eminent domain with respect to property within the District's boundaries; provided, however, that the District shall not exercise its statutory power of dominant eminent domain to condemn property owned by the City that is located within the District's boundaries, without the prior written consent of the City Council.

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The District will be permitted to exercise its statutory powers and respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section II of this Service Plan either directly or by contract. A depiction of the public improvements and facilities anticipated to be provided by the District is set forth in **Exhibit D**, attached hereto and incorporated herein by this reference. Where appropriate, the District will contract with various public and/or private entities to undertake such functions. The District also may petition existing governmental entities for inclusion of part or all of the property within the District into an existing service area. There are currently no other entities within the boundaries of the District providing the following services, nor shall the services provided by the District duplicate or interfere with those services provided by the City. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with City Policy and applicable State and Federal laws, regulations and standards.

Detailed information for each type of improvement needed for the District is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section and in **Exhibit D** are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of the City, and of other municipalities and special districts which may be affected thereby. To the extent required by City Policy, the District will issue letters of credit or other surety required by City Policy to the City to provide security for public improvements to be constructed by the District.

The following sections contain general descriptions of the contemplated facilities and improvements which will be financed by the District.

A. General.

Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing and to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, the majority of capital improvements to be constructed by the District are necessary in the initial years of development.

B. General Design Standards.

Improvements within the District, including without limitation, those specifically listed herein, will be designed and installed by the District in conformance with current standards adopted by the District and in accordance with City Policy.

1. Wastewater System. The sanitary sewer lines will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, City Policy, and rules and regulations adopted by the District or other affected municipalities and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation will be designed, and installed by the District. Operations and maintenance of all wastewater facilities will be provided by the District, until such facilities are dedicated to the City, or as set forth below, other appropriate unit of government in accordance with the terms of this Service Plan and City Policy.

A portion of the property located within the Future Inclusion Area is located within the boundaries of the South Ft. Collins Sanitation District (“SFCSD”) and within the municipal boundaries of the City. It is anticipated that sanitary sewer service will be provided to this portion of the Future Inclusion Area by either SFCSD or the City. Accordingly, the District shall not be authorized to provide sanitary sewer service to that portion of the Future Inclusion Area located within the boundaries of SFCSD, but shall be authorized to construct, install, and finance the construction and installation of all sanitary sewer system improvements required to serve that portion of the Future Inclusion Area located within the boundaries of SFCSD. Any such improvements shall be constructed in accordance with all applicable requirements of City Policy or of SFCSD, as appropriate, depending upon which entity will ultimately provide sanitary sewer service to the portion of the Future Inclusion Area located within the boundaries of SFCSD. Upon completion of construction, all sanitary sewer improvements constructed to serve the portion of the Future Inclusion Area located within the boundaries of SFCSD shall be dedicated to the City or SFCSD, as appropriate and in accordance with the appropriate entities’ dedication requirements, depending upon which entity will be the sanitary sewer service provider to the portion of the Future Inclusion Area located within the boundaries of SFCSD.

2. Storm Water Drainage.

a. Generally. The District plans to install the necessary storm water drainage system to serve the development. The proposed elements of the storm water drainage system will provide a network of culverts, roadside swales, pipes detention and water quality ponds, inlet and outlet structures, and curb and gutter designed and installed in accordance with City Policy and sound engineering judgment. The District will design and install all storm water drainage improvements except for specific improvements within individual development parcels which will be designed and installed by individual developers and/or builders.

All storm water drainage facilities will be designed to conform to the standards and recommendations for drainage improvements pursuant to City Policy, the rules and regulations of the District and standards of other affected municipalities.

b. Culverts. Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by City Policy, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from the District. This plan will include all infrastructure required to convey the flows generated within the District. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated

during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts and ponds.

3. Potable Water System.

a. Overall Plan. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the District's boundaries. When design and construction are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities will be designed, and installed by the District in accordance with City Policy. Operations and maintenance of all water facilities will be provided by the District, until such facilities are dedicated to the City, or other appropriate unit of government, as described below, in accordance with the terms of this Service Plan and City Policy.

b. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains. Water system components will be constructed and installed in accordance with City Policy and applicable standards of all entities with jurisdiction over the District or the property to be served by the District. The water system will also be designed based on applicable fire protection requirements.

c. Ft. Collins-Loveland Water District. A portion of the property located within the Future Inclusion Area is located within the boundaries of the Ft. Collins-Loveland Water District ("FCLWD") and within the municipal boundaries of the City. It is anticipated that potable water service will be provided to this portion of the Future Inclusion Area by either FCLWD or the City. Accordingly, the District shall not be authorized to provide potable water service to that portion of the Future Inclusion Area located within the boundaries of FCLWD, but shall be authorized to construct, install, and finance the construction and installation of all potable water system improvements required to serve that portion of the Future Inclusion Area located within the boundaries of FCLWD. Any such improvements shall be constructed in accordance with all applicable requirements of City Policy or of FCLWD, as appropriate, depending upon which entity will ultimately provide potable water service to the portion of the Future Inclusion Area located within the boundaries of FCLWD. Upon completion of construction, all potable water sewer improvements constructed to serve the portion of the Future Inclusion Area located within the boundaries of FCLWD shall be dedicated to the City or FCLWD, as appropriate and in accordance with the appropriate entities' dedication requirements, depending upon which entity will be the potable water service provider to the portion of the Future Inclusion Area located within the boundaries of FCLWD.

4. Non-Potable Irrigation Water System

a. District Authority. The District shall have the authority, but not the obligation, to provide the design, financing, acquisition, installation, operation, construction, and/or operation and maintenance of a non-potable raw water irrigation system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may

include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to such facilities and systems within and outside the boundaries of the District.

b. Overall Plan. The District may, in the discretion of its Board of Directors, choose to provide for a non-potable irrigation water system, which may ultimately serve both public and private property. At this time, the District has not developed a finance plan which contemplates the provision of a non-potable irrigation water system and the District shall not be obligated to provide such a system. If ultimately constructed, the non-potable irrigation water system will be constructed in accordance with City Policy and financed through the District to service the greenbelts, open spaces, landscaping and common areas within the District. In addition, the District may choose to construct and/or finance a non-potable irrigation water system designed to serve individual units within the development. If a non-potable irrigation water system is provided, the District shall have the right to purchase any and all raw water necessary for proper operation of the system from the Developer, or any other entity or individual as the District deems appropriate.

5. Street System and Traffic Safety

a. General. The District proposes to construct a street and roadway system to serve the development. The existing and proposed elements of the street system will provide a network of arterial collector or local streets to serve the flow of traffic within the District. All facilities, traffic controls, signals and signage will be designed and installed in accordance with City Policy and sound engineering judgment.

b. Streets. Public streets will be designed, located and installed to conform to the standards and recommendations of the Colorado Department of Transportation (where applicable), City Policy and the rules and regulations adopted by the District.

Traffic controls and signage may be provided along streets to enhance the flow of traffic within the project. Street lights may be installed by the District along collector and local roadways.

c. Landscaping. Landscaping may be installed by the District along the roadway rights-of-way and trail easements in accordance with City Policy. The District may also install and maintain landscaped highlights along the internal streets and entry features at major entrances. Additional features may be installed and maintained by the Developers of the individual parcels.

d. Signals and Signage. Signals and signage may be installed by the District as required by traffic studies, the District's rules and regulations, City Policy and the Colorado Department of Transportation. Additional signage may be installed as needed to accommodate development.

6. Park and Recreation

Any park and recreational facilities and/or services that the District determines to undertake will be constructed in accordance with plans and specifications approved by the City. All park and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with and comply with City Policy or the standards of other local public entities, as applicable.

C. Services of District. The District will require operating funds to plan and cause the facilities contemplated herein to be completed. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs and compliance with State reporting and other administrative requirements. The first year's operating budget is estimated to be approximately \$50,000. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of bond issues, and related matters is attached to this Service Plan as **Exhibit F**. Operating costs may increase depending upon the entity designated responsible for operations and maintenance of the facilities as set forth in Section III. Notwithstanding the projections set forth in the financing plan, such amounts are therefore subject to increase and may be paid from any legally available revenues including but not limited to fees or charges legally imposed by the District. Organizational costs and capital costs expended for public infrastructure prior to the date of organization, if any, will be reimbursed to the Developer by the District out of its initial revenue sources including bond issue proceeds. The District shall be permitted to borrow initial operating funds from private entities until such time as they are able to generate operating revenues from other legally available sources. The District may acquire completed improvements from the Developer with bond proceeds, provided that the acquisition price shall not exceed the actual costs of design and construction of said improvements. Certain of those improvements will then be conveyed by the District to the City. Alternatively, the Developer may dedicate certain improvements directly to the City, with reimbursement to the Developer to come from the District.

D. Estimated Cost of Facilities

The estimated cost of the facilities to be constructed, installed and/or acquired by the District are shown in **Exhibit E** and include contingencies, supervision for the administrative oversight process including necessary approvals and construction management for onsite management of ongoing capital construction.

IV. DEVELOPMENT PROJECTIONS

Land use within the development will be for industrial and other commercial purposes. The Developer plans to target several industrial and commercial users as candidates to purchase individual parcels within the District's boundaries, and plans to target industrial businesses to locate within the development on property to be leased from the Developer. The absorption rates for the development are incorporated into the Financing Plan attached hereto.

V. PROPOSED AND EXISTING AGREEMENTS

The District will be permitted to exercise its statutory powers and respective authority as set forth herein to finance, construct, acquire, operate and maintain the public improvements either directly or by contract. To the extent practicable, the District may enter into intergovernmental and/or private agreements in order to ensure long-term provision of the improvements and services contemplated herein, and to provide effective management therefor. Said agreements may include, but are not limited to, agreements with property owner associations, governments and/or service providers, agreements with the Centerra Districts, and agreements with the City. In addition, the property within the District's boundaries will be developed in accordance with the terms of the Centerra Master Financing and Intergovernmental Agreement. Agreements of this nature are authorized by Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado, and § 29-1-201, *et seq.*, C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Operation and maintenance functions are expected to be provided by Centerra Metropolitan District No. 1, pursuant to an IGA to be entered into between the District and Centerra Metropolitan District No. 1. The costs of such operations and maintenance shall be paid by the District annually out of legally available revenues of the District.

VII. FINANCIAL PLAN

The Financing Plan, attached as **Exhibit F**, demonstrates one method that might be used by the District to finance the cost of infrastructure. The Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan. The Financing Plan reflects that the Centerra Metropolitan District No. 1 intends to issue revenue bonds, which revenue bonds will be repaid from revenues obtained from various sources, including but not limited to revenues generated by mill levies imposed by the District and the other Centerra Districts. In the alternative, the District may choose to issue its own general obligation bonds to fund the costs of the improvements contemplated by this Service Plan.

A. Debt. To enable the District to finance, construct, operate, and maintain the public improvements contemplated by this Service Plan, it is anticipated that the District will incur Debt. For purposes of this Service Plan, "Debt" shall be defined to mean principal and interest on general obligation or revenue bonds, notes, contracts, agreements, certificates of indebtedness, interim certificates or receipts, or other documents or instruments evidencing loans or advances to the District. Any Debt may be restructured to accomplish a refunding or reissuance of such Debt.

B. Approval of Debt Issuance. It is currently anticipated that the District will issue Debt in amounts sufficient to permit the District to construct all or a portion of the needed public improvements. The timing of issuance of Debt may be adjusted from time to time to meet

development requirements. All Debt instruments entered into by the District shall provide that the District's obligations thereunder shall be discharged forty (40) years after the date such Debt is issued regardless of whether the obligations under such Debt instruments are paid in full.

C. Identification of District Revenue. All Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District, subject to the following limitations:

1. The maximum mill levy the District may impose for the payment of Debt and operations and maintenance expenses shall be 25 mills ("the "Mill Levy Cap"). The Mill Levy Cap shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Mill Levy Cap shall be automatically adjusted so that the collective tax liability of property owners within the District neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the District and overall tax payments from property owners. In addition, the District may adjust the amount of its mill levy by an additional amount which does not exceed the proportional share of the total amount of abatements and refunds made pursuant to the provisions § 39-10-114(1)(B), C.R.S. The District shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan. Except as otherwise provided in this Section VII.C.1, the Mill Levy Cap shall not be increased unless first approved in writing by the City Council and as permitted by statute. Any such increase in the Mill Levy Cap shall be considered a material modification of the Service Plan.

2. Any Debt issued by the District must be issued in compliance with the requirements of § 32-1-1101(6), C.R.S., and § 11-59-106, C.R.S., as amended. The District anticipates issuing Debt that is exempt from registration by virtue of being credit enhanced or issued exclusively to "accredited investors" as such term is defined under Sections 3(b) and (4)(2) of the Federal Securities Act of 1933. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the District will be provided by the Developer in the form of advances in exchange for Debt instruments, which will provide for repayment to the Developer from Debt proceeds or other legally available sources of revenue.

In addition to revenues from the District's mill levy, the District may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City, fees and charges levied by the District, and other legally permissible sources, which may include a one-time "System Development Fee" to be collected on the initial transfer of property within the District to persons or entities not affiliated with the Developer. The District shall not be authorized to impose or accept revenues derived from any fee on retail sales or any other fee, toll, tax, or charge, the amount of which is calculated in a manner similar to the calculation of a sales or use tax. The foregoing shall not be construed to limit the District's authority to charge a user fee for use of District facilities. The District shall have the authority to use all available revenues in any legally permissible manner consistent with the terms of this Service Plan.

In the event the Developer enters into an oversizing and/or reimbursement agreement with the City the following shall apply:

a. If the District purchases from the Developer improvements constructed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has obtained reimbursement from the City at the time of the District's purchase, the purchase price of the improvements to be paid by the District shall be the costs of the improvements as certified by the District's engineer less the amount of the reimbursement received by the Developer; or

b. If the District purchases from the Developer improvements constructed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has not yet obtained reimbursement from the City at the time of the District's purchase, the purchase price of the improvements to be paid by the District shall be the costs of the improvements as certified by the District's engineer less the amount of the future reimbursement to which the Developer is entitled; or, in the alternative, the District may pay the full costs of the improvements as certified by the District's engineer and the Developer shall immediately assign to the District any and all rights to reimbursement from the City for said improvements. Nothing herein shall be construed as an agreement or obligation of the City to make any reimbursement for the oversizing of any improvements.

D. Security for Debt. The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

E. Filings with City and Quinquennial Review.

(i) The District shall file with the City the following information and documents, promptly after they become available in their final, executed form:

- (a) Audited financial statements of the District, to the extent audit financial statements are required by State law;
- (b) Annual Budgets of the District;
- (c) Intergovernmental Agreements;
- (d) Resolutions regarding issuance of Debt, including relevant financing documents, credit agreements and official statements;
- (e) Notice of all regular and special meetings of the District's Board of Directors; and
- (f) If requested by the City, copies of minutes of all meetings of the District's Board of Directors.

(ii) Pursuant to § 32-1-1101.5, C.R.S., and at the City's request, the District shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the District's ballot issue to incur general obligation

indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a), C.R.S., and a determination for continuation of the authority of the Board of the District to issue any remaining authorized general obligation Debt shall be made at that time. At the City's sole discretion, the District shall pay an administrative fee for any review required by the City under this Section.

F. Other Financial Information

The balance of the information contained in this Article VII is preliminary in nature. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for Debt issuance. All cost estimates will be inflated to then-current dollars at the time of Debt issuance and construction. All construction cost estimates assume construction to applicable local, State or Federal requirements.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, the District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1)(j), C.R.S., as amended from time to time. It is anticipated that a system of user charges may also be established for any recreation improvements and other improvements not owned and operated by the City.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual revenues of the District exceed expenditures in this manner, the District will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the District, as well as mill levies, will be established by elections which satisfy TABOR requirements.

The estimated costs of the facilities and improvements to be constructed and installed by the District, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in **Exhibit D** of this Service Plan. The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt shall not exceed 18%. The proposed maximum underwriting discount will be 5%. The District's Debt, when issued, shall mature not more than forty (40) years from date of issuance. The estimated costs of the organization of the District, including legal, engineering, administrative and financial services, are expected to be approximately \$125,000. Organizational costs will be reimbursed to the Developer by the District out of its initial revenue sources including bond issue proceeds.

G. Enterprises. The District's Board of Directors may not set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution without the prior written consent of the City Council. To the extent provided by law, any enterprise created by the District will remain under the control of the Board of Directors

of the District. Additionally, the District and the Board may not establish 63-20 Corporations without the prior written consent of the City Council.

H. Conservation Trust Fund. The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City Council.

I. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended) and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of Debt limits,
4. Approval of property tax revenue limitations, and
5. Approval of total revenue limits.

Ballot issues may be consolidated as approved in Court orders. The City should be assured that the District intends to follow both the letter and the spirit of the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected Board of Directors of the District.

VIII. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City on or before March 1 for the preceding fiscal year. For purposes of this section, a "fiscal year" shall begin on January 1 and end on December 31 of each year.

B. Reporting of Significant Events.

The annual report shall contain the following information as it pertains to each fiscal year:

1. Boundary changes made or proposed.
2. Intergovernmental Agreements entered into or proposed to be entered into.
3. Changes or proposed changes in the District's policies.

4. Changes or proposed changes in the District's operations.
5. Any changes in the financial status of the District including revenue projections or operating costs.
6. A summary of any litigation involving the District.
7. Proposed plans for the year immediately following the year summarized in the annual report.
8. Status of the District's public improvement construction schedule.
9. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City.

C. Summary of Financial Information.

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the District's boundaries.
- (2) Total acreage of property within the District's boundaries.
- (3) The District's Debt (stated separately for each class of Debt).
- (4) The District's Debt service (stated separately for each class of Debt).
- (5) The District's tax revenue.
- (6) Other revenues of the District.
- (7) The District's public improvements expenditures.
- (8) Other District expenditures.

IX. CONCLUSIONS

It is submitted that this Amended and Restated Service Plan for Centerra Metropolitan District No. 5, as required by §§ 32-1-203(2) & (2.5), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its boundaries;
4. The area included in the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, and will not be, available to the area through the City, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the District is located;

7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;

8. The proposal is in compliance with any duly adopted county, regional, or State long-range water quality management plan for the area; and

9. The continued existence and operation of the District is in the best interests of the area to be served.

Therefore, it is requested that the Loveland City Council, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, *et seq.*, C.R.S., as amended, adopt a resolution which approves this "Amended and Restated Service Plan for Centerra Metropolitan District No. 5" as submitted.

Respectfully submitted,


By: 
Alan D. Pogue
ICENOGLE ♦ NORTON
SMITH ♦ GILIDA ♦ POGUE
A Professional Corporation
Counsel to the District

EXHIBIT A

Map and Legal Description of the District



**NORTHERN
ENGINEERING**

ADDRESS:
200 S. College Ave. Suite 100
Fort Collins, CO 80524

PHONE: 970.221.4158

FAX: 970.221.4159

WEBSITE:
www.northernengineering.com

DESCRIPTION: CENTERRA METRO DISTRICT No. 5

A tract of land located in Section 4, Township 5 North, Range 68 West of the 6th Principal Meridian, City of Loveland, County of Larimer, State of Colorado being more particularly described as follows:

Considering the West line of the Northwest Quarter of said Section 4 as bearing South 01°03'56" West and with all bearings contained herein relative thereto:

Commencing at the Northwest corner of said Section 4; thence along the West line of said Northwest Quarter, South 01°03'56" West, 1335.42 feet to the **POINT OF BEGINNING**; thence departing said West line, South 89°18'01" East, 2627.19 feet; thence, South 89°17'53" East, 1096.70 feet to a point on the Northeasterly line of that tract of land described at Reception No. 20040014309 and the Southwesterly line of the Union Pacific Railroad; thence, along said line, South 49°21'40" East, 1766.92 feet; thence, South 25°21'00" West, 15.16 feet; thence, along a curve concave to the East having a central angle of 37°55'36" with a radius of 221.00 feet, an arc length of 146.29 feet and the chord of which bears South 06°19'55" West, 143.63 feet; thence, North 89°17'52" West, 2,441.80 feet; thence, South 00°42'03" West, 30.01 feet to a point being on the South line of said Northwest Quarter; thence, along said South line, North 89°18'02" West, 2624.85 feet to the Southwest Corner of said Northwest Quarter; thence along the West line of said Northwest Quarter, North 01°03'56" East, 1321.02 feet to the Point of Beginning.

The above described tract contains 5,869,065 square feet or 134.735 acres more or less

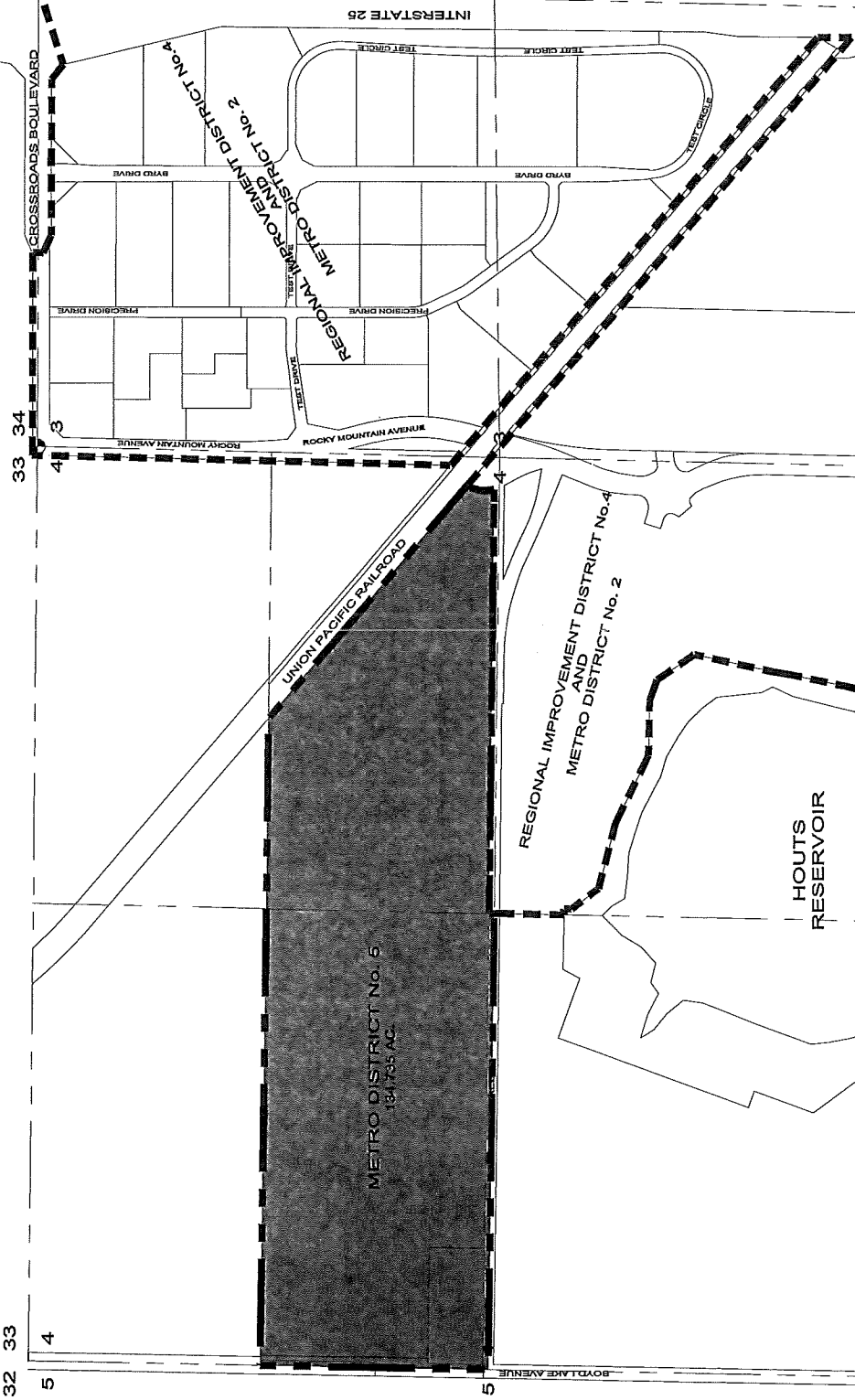
S:\Survey Jobs\700-084\METRO DISTRICT\DISTRICT 5 BOUNDARY.doc

07/30/08

L. Mayer

CENTERRA DISTRICT No. 5 MAP

SECTION 4, TOWNSHIP 5 NORTH, RANGE 68 WEST,
CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO



LEGEND:

- 12 -Section Corner
- 13
- -Metro District Parcel No.2 and Regional Improvement District No.4
- -Metro District Parcel No.5

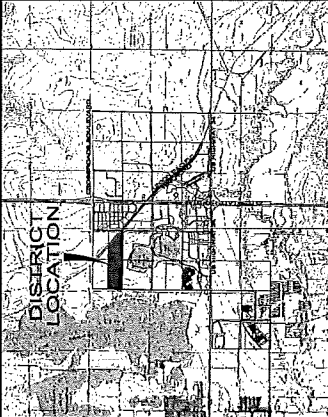
DISTRICT ACREAGE:

CENTERRA METRO DISTRICT No. 5 LAND DISTRIBUTION TABLE			
PARCEL	SF	AC	% OF TOTAL
METRO DISTRICT #5	5,869,005	134,735	100.00
SUBTOTAL	5,869,005	134,735	100.00

NORTH

1 inch = 300 ft.

JULY 30, 2008

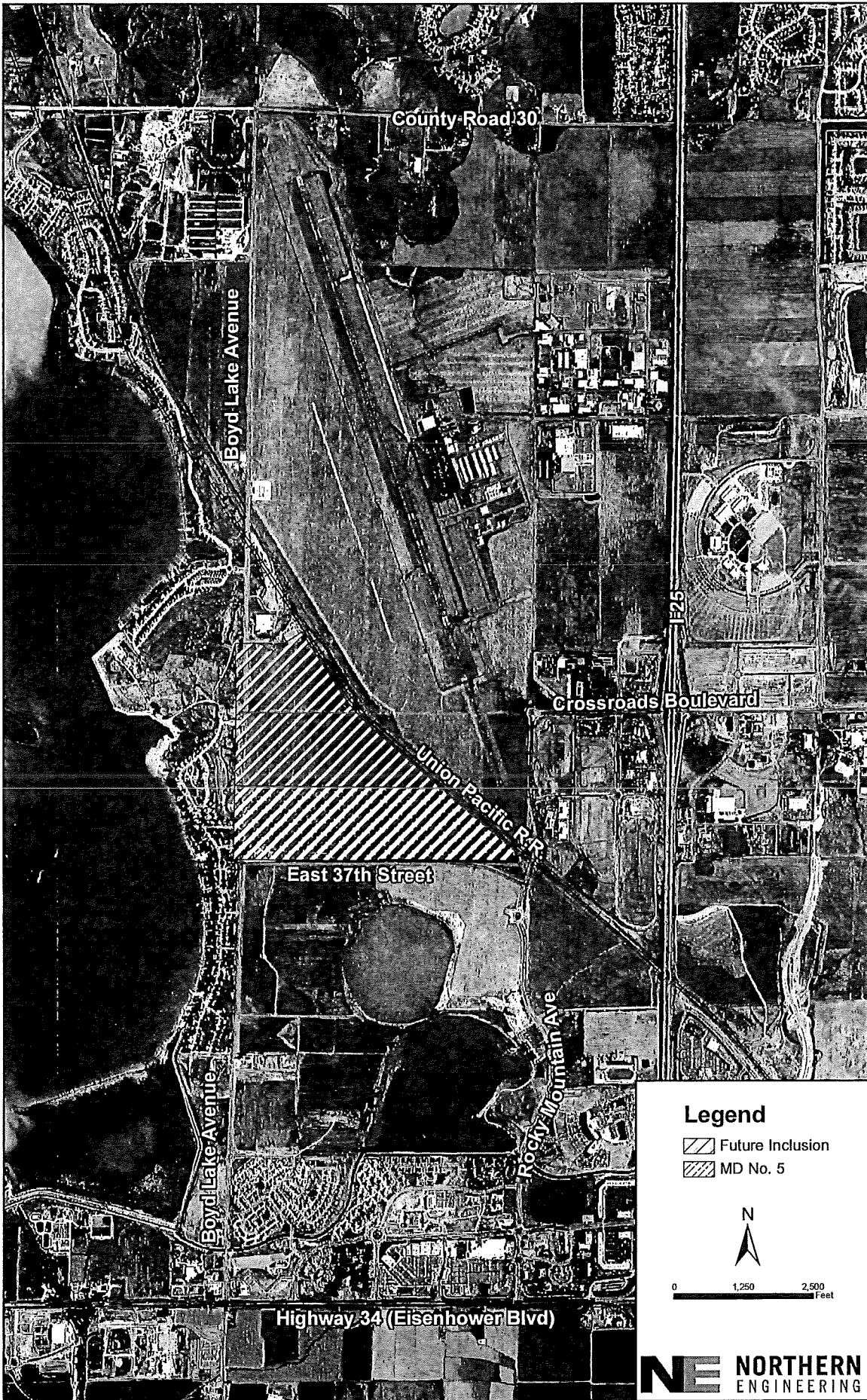


CENTERRA
Metropolitan District No. 5

DISTRICT MAP

EXHIBIT B

Vicinity Map



County Road 30

Boyd Lake Avenue

Crossroads Boulevard

Union Pacific R.R.



East 37th Street

Boyd Lake Avenue

Rocky Mountain Ave

Highway 34 (Eisenhower Blvd)

Legend

-  Future Inclusion
-  MD No. 5



0 1,250 2,500 Feet

NE NORTHERN
ENGINEERING

EXHIBIT C

Map and Legal Description of Future Inclusion Area



**NORTHERN
ENGINEERING**

ADDRESS: 200 S. College Ave. Suite 100 Fort Collins, CO 80524	PHONE: 970.221.4158	WEBSITE: www.northernengineering.com
	FAX: 970.221.4159	

**DESCRIPTION: CENTERRA METRO DISTRICT-
FUTURE INCLUSION PARCEL 1**

A tract of land that includes Lot 1, Amended Parcel 3 of the Kirksey Exemption and Tract A, Loveland/Fort Collins Limited Partnership Addition, located in Section 4, Township 5 North, Range 68 West and Section 33, Township 6 North, Range 68 West of the 6th Principal Meridian, City of Loveland, County of Larimer, State of Colorado being more particularly described as follows:

Considering the West line of the Northwest Quarter of said Section 4 as bearing South 01°03'56" West and with all bearings contained herein relative thereto:

Beginning at the Southwest corner of said Section 33; thence along the West line of the Southwest Quarter of said Section 33, North 00°31'58" West, 1218.59 feet to a point on the prolonged South right-of-way line of Medford Drive; thence along said South line the following three (3) courses and distances, North 89°31'54" East, 358.67 feet; thence, along a curve concave to the Southwest having a central angle of 57°24'08", a radius of 270.00 feet, an arc length of 270.50 feet and the chord of which bears South 61°43'10" East, 259.33 feet; thence, South 34°23'20" East, 20.00 feet; thence, North 57°00'37" East, 60.00 feet to the Northwest corner of a parcel of land recorded at Reception No. 96066385 of said Larimer County; thence along the Westerly and Southerly line of said parcel the following two (2) courses and distances, South 32°59'23" East, 40.00 feet; thence, North 57°00'37" East, 625.02 feet to the Westerly right-of-way of the Union Pacific Railroad; thence along said Westerly line the following three (3) courses and distances, South 33°01'30" East, 1,171.08 feet; thence, along a tangent curve concave to the Northeast having a central angle of 16°19'09", a radius of 3,894.83 feet, an arc length of 1,109.34 feet and the chord of which bears South 41°11'05" East, 1,105.59 feet; thence, South 49°18'13" East, 1,515.70 feet more or less to the North line of a parcel of land recorded at reception No.20060054524 of said Larimer County; thence along said North line the following two (2) courses and distances, North 89°17'53" West, 1,096.70 feet; thence, North 89°18'01" West, 2,627.19 feet to the West line of the Northwest Quarter of said Section 4; thence along said West line, North 01°03'56" East, 1,335.42 feet to the Point of Beginning.

The above described tract contains 139 acres more or less

S:\Survey Jobs\700-084\METRO DISTRICT\FUTURE INCLUSION BOUNDARY.doc
07/30/08
L. Mayer

CENTERRA FUTURE INCLUSION DISTRICT MAP

SECTION 4, TOWNSHIP 5 NORTH, RANGE 68 WEST, AND SECTION 33, TOWNSHIP 6 NORTH, RANGE 68 WEST,
CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- 12
14
18
- Section Corner
- Future Inclusion Area No. 1

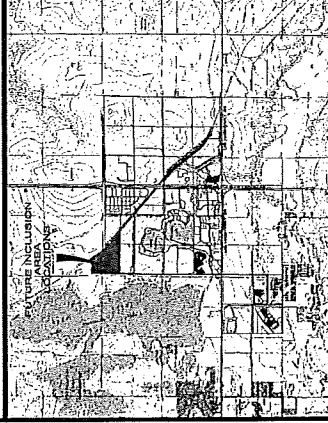
FUTURE INCLUSION- AREA ACREAGE:

CENTERRA METRO DISTRICTS; FUTURE INCLUSION AREA;
LAND DISTRIBUTION TABLE

PARCEL	SF	AC	% OF TOTAL
PARCEL #1	6,052,051	139.0	100.0
SUM =	6,052,051	139.0	100.0



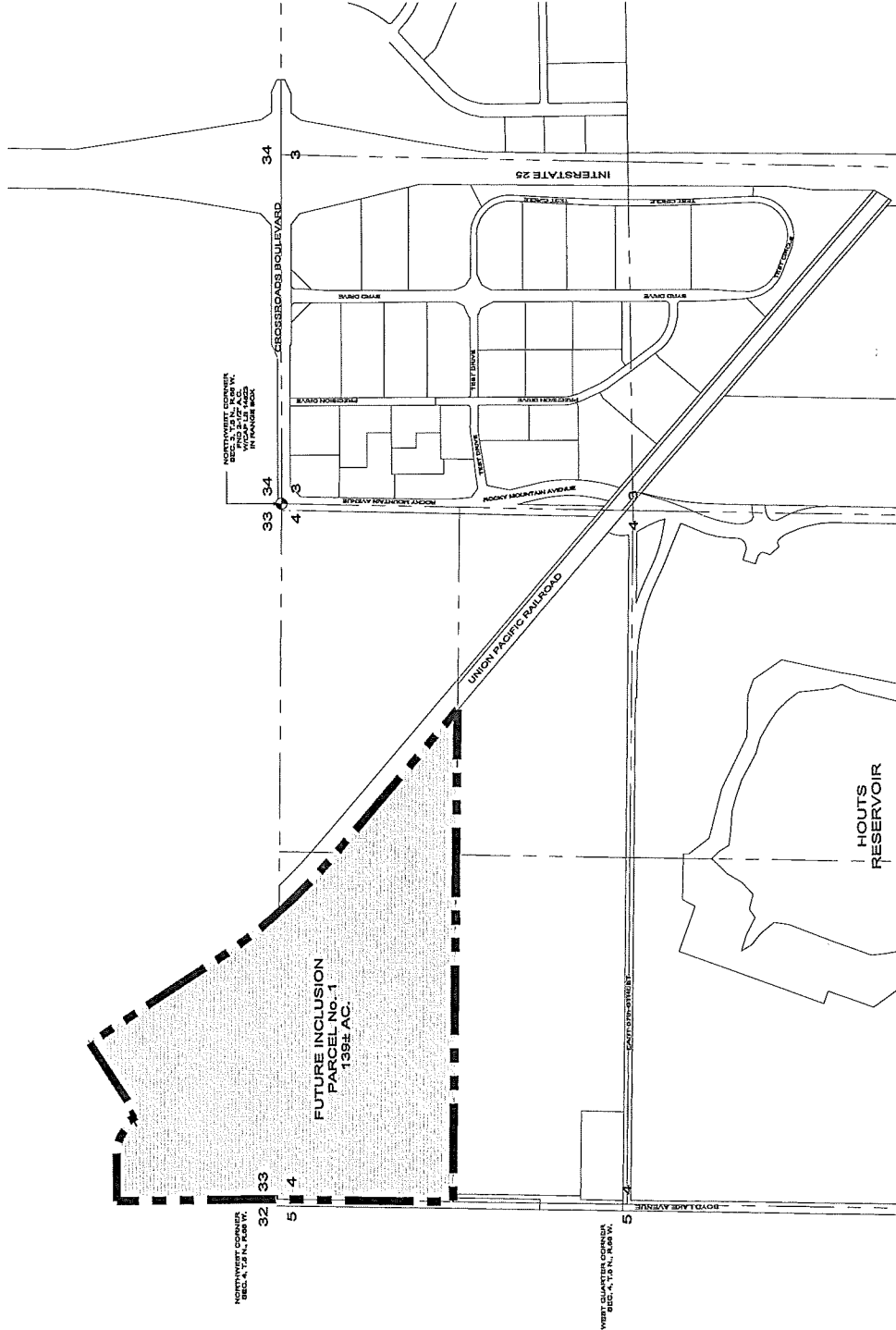
July 30, 2008



VICINITY MAP
N.T.S.

CENTERRA
Metropolitan Districts
Future Inclusion Area

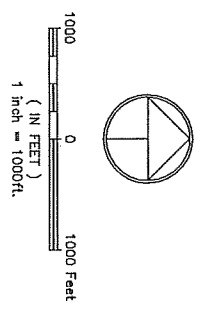
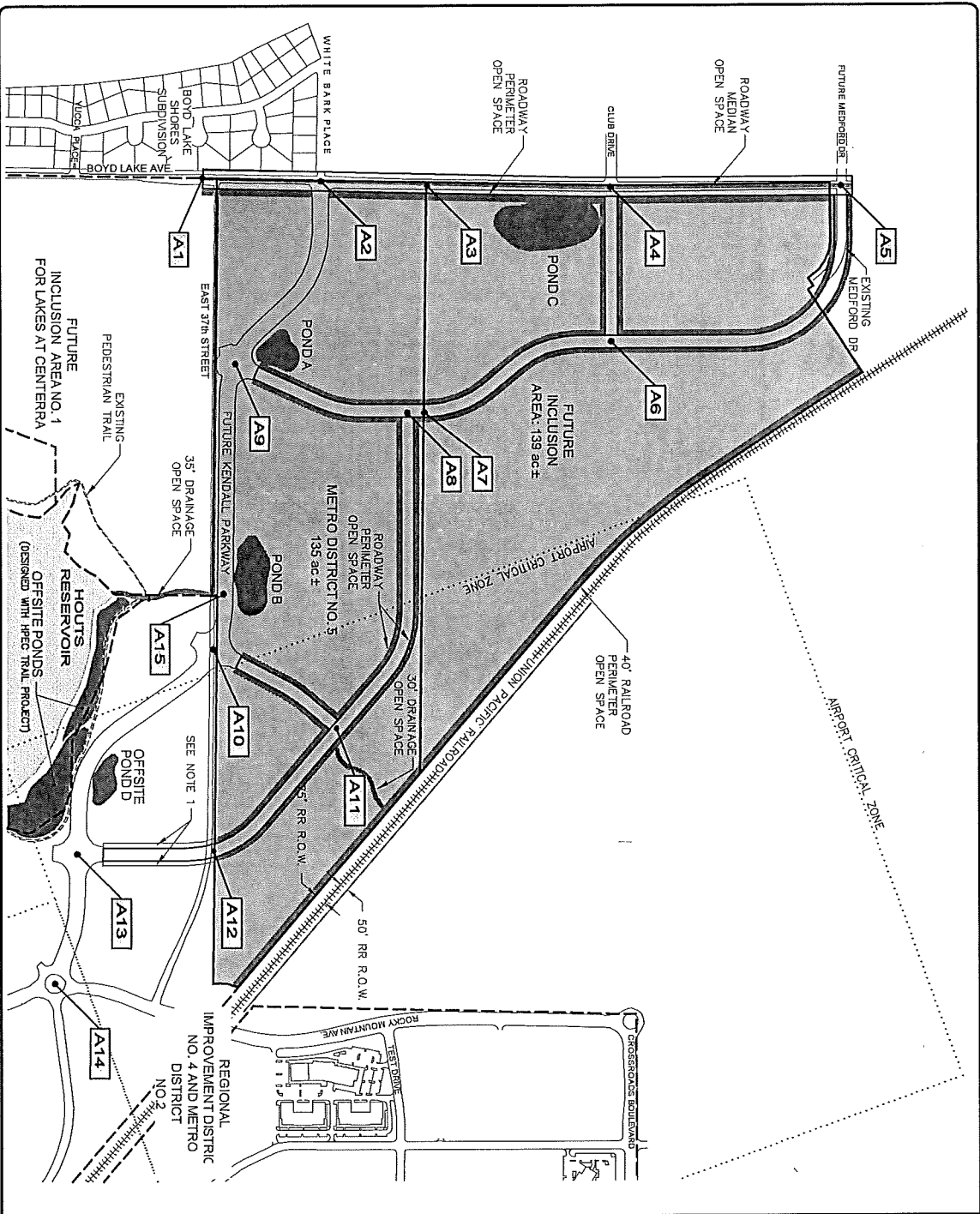
DISTRICT MAP



**NORTHERN
ENGINEERING**
P.O. BOX 1000
LOVELAND, CO 80539
TEL: 303.636.1000
WWW.NORTHERN-ENG.COM

EXHIBIT D

Rendering of Proposed Improvements



- LEGEND:**
- OPEN SPACE
 - METRO DIST. NO. 5
 - FUTURE INCLUSION AREA

NOTES

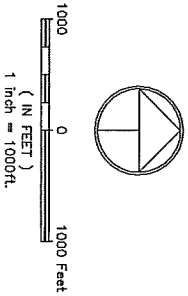
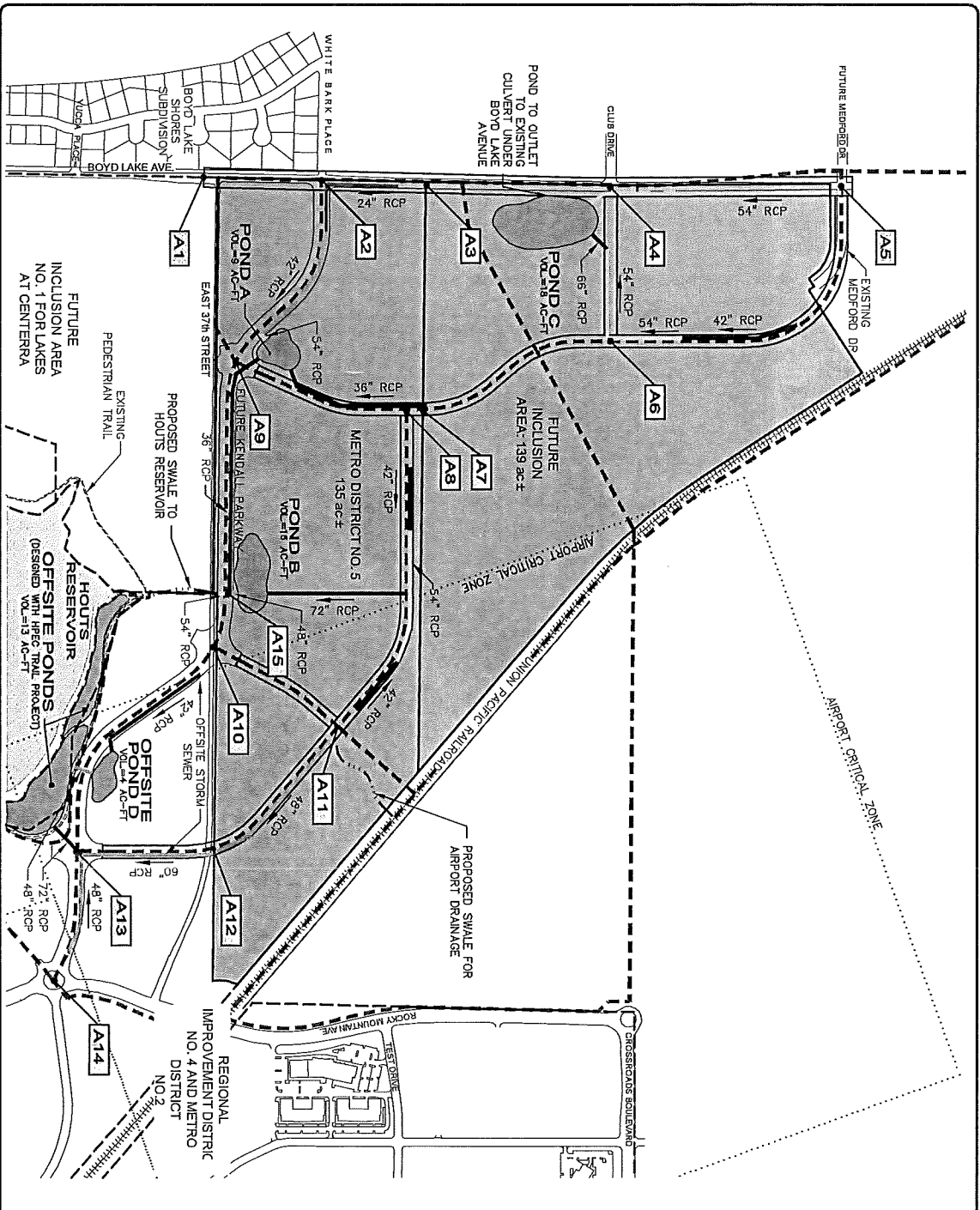
1. ALL OFFSITE LANDSCAPE/OPEN SPACE AREA COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

**CENTERRA METRO DIST. 5
OPEN SPACE EXHIBIT**

AUGUST 1, 2008

**NORTHERN
ENGINEERING**

202 East 10th Street, Suite 100
West Des Moines, Iowa 50319
Phone: 724.231.4156 Fax: 724.231.4158
www.northernengineering.com



LEGEND:

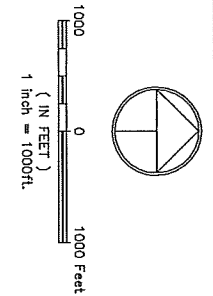
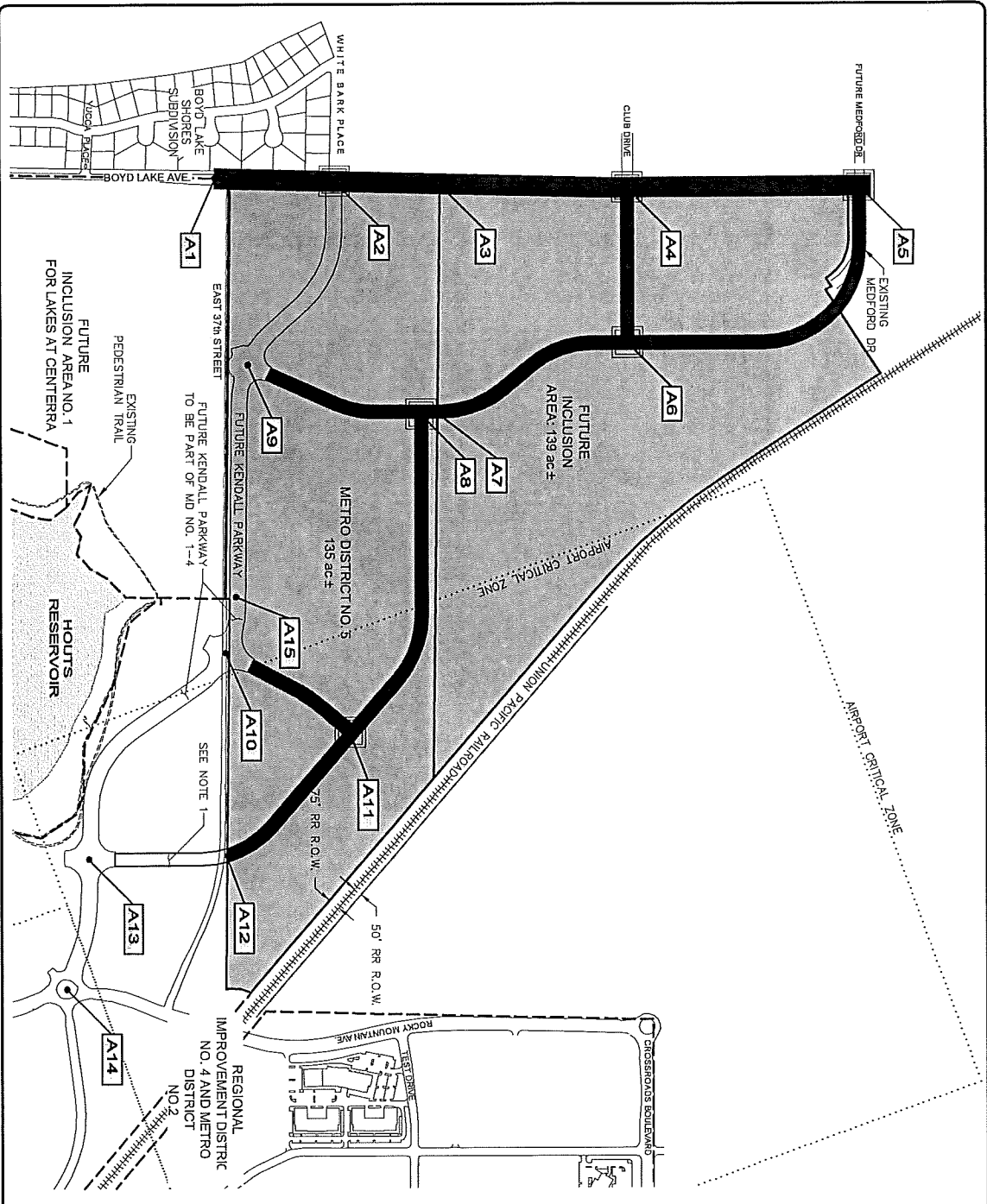
- 24-INCH DIAMETER RCP
- 36-INCH DIAMETER RCP
- 42-INCH DIAMETER RCP
- 48-INCH DIAMETER RCP
- 54-INCH DIAMETER RCP
- 60-INCH DIAMETER RCP
- 66-INCH DIAMETER RCP
- 72-INCH DIAMETER RCP
- DRAINAGE SWALE
- DRAINAGE SWALE
- METRO DIST. NO. 5
- FUTURE INCLUSION AREA

NOTES







1. ALL PROPOSED STORM SEWER SIZES ARE APPROPRIATE AND SHALL BE CONFIRMED WITH FINAL ENGINEERING
2. ALL OFFSITE STORM SEWER COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

**CENTERRA METRO DIST. 5
STORM SEWER EXHIBIT**

AUGUST 1, 2008



LEGEND:


-  ARTERIAL ROAD
-  MAJOR COLLECTOR ROAD
-  MAJOR COLLECTOR ROAD
-  METRO DIST. NO. 5
-  FUTURE INCLUSION AREA
-  FULL CONTROLLED INTERSECTION

NOTES

1. OFFSITE MAJOR COLLECTOR ROAD COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

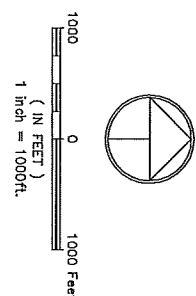
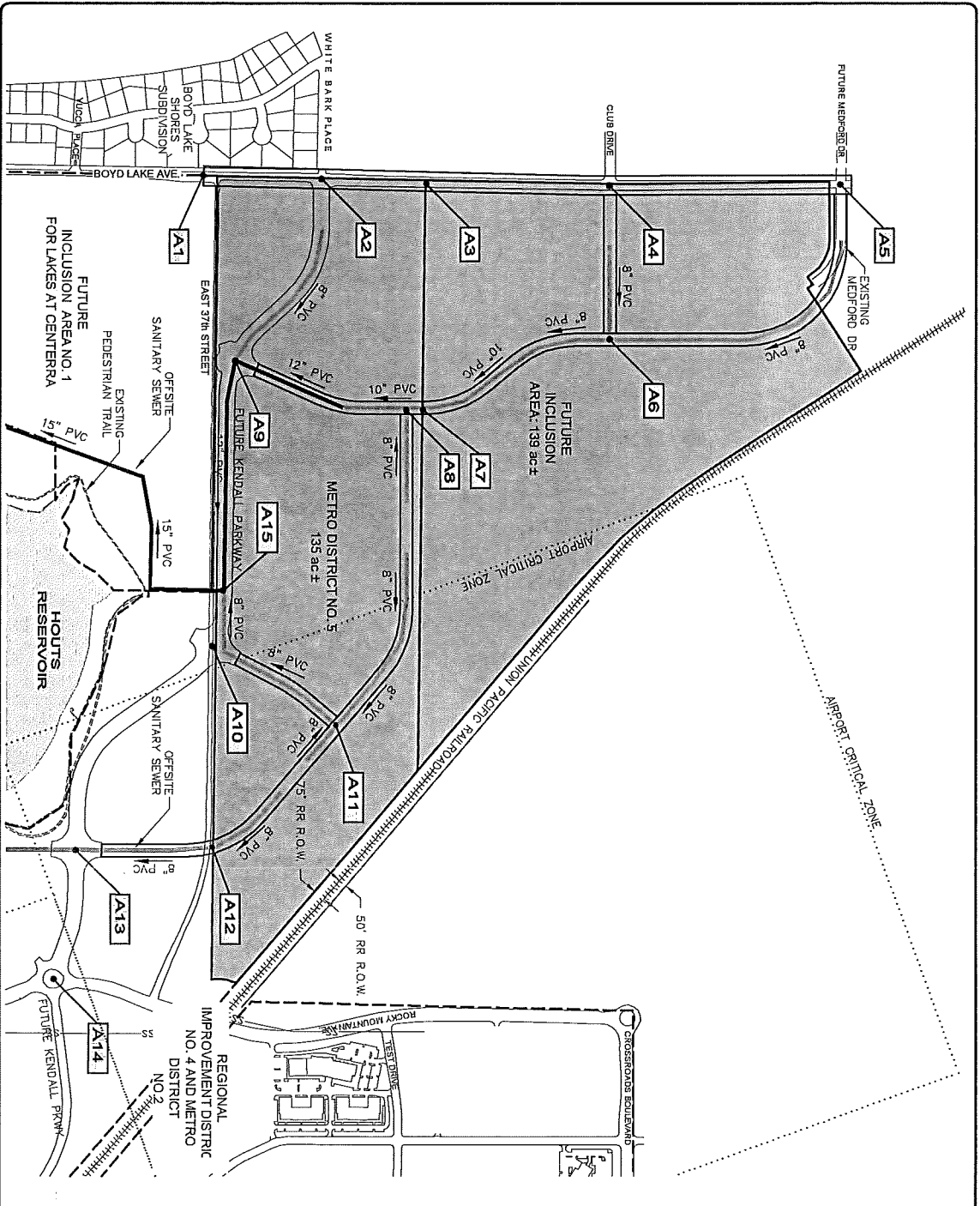
**CENTERRA METRO DIST. 5
ROADWAY EXHIBIT**

AUGUST 1, 2008



**NORTHERN
ENGINEERING**

200 South Central Express, Suite 100
Fort Collins, Colorado 80526
PHONE: 970.227.4128 FAX: 970.227.4129
www.northern-engineering.com



LEGEND:

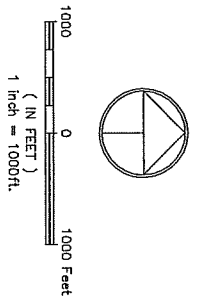
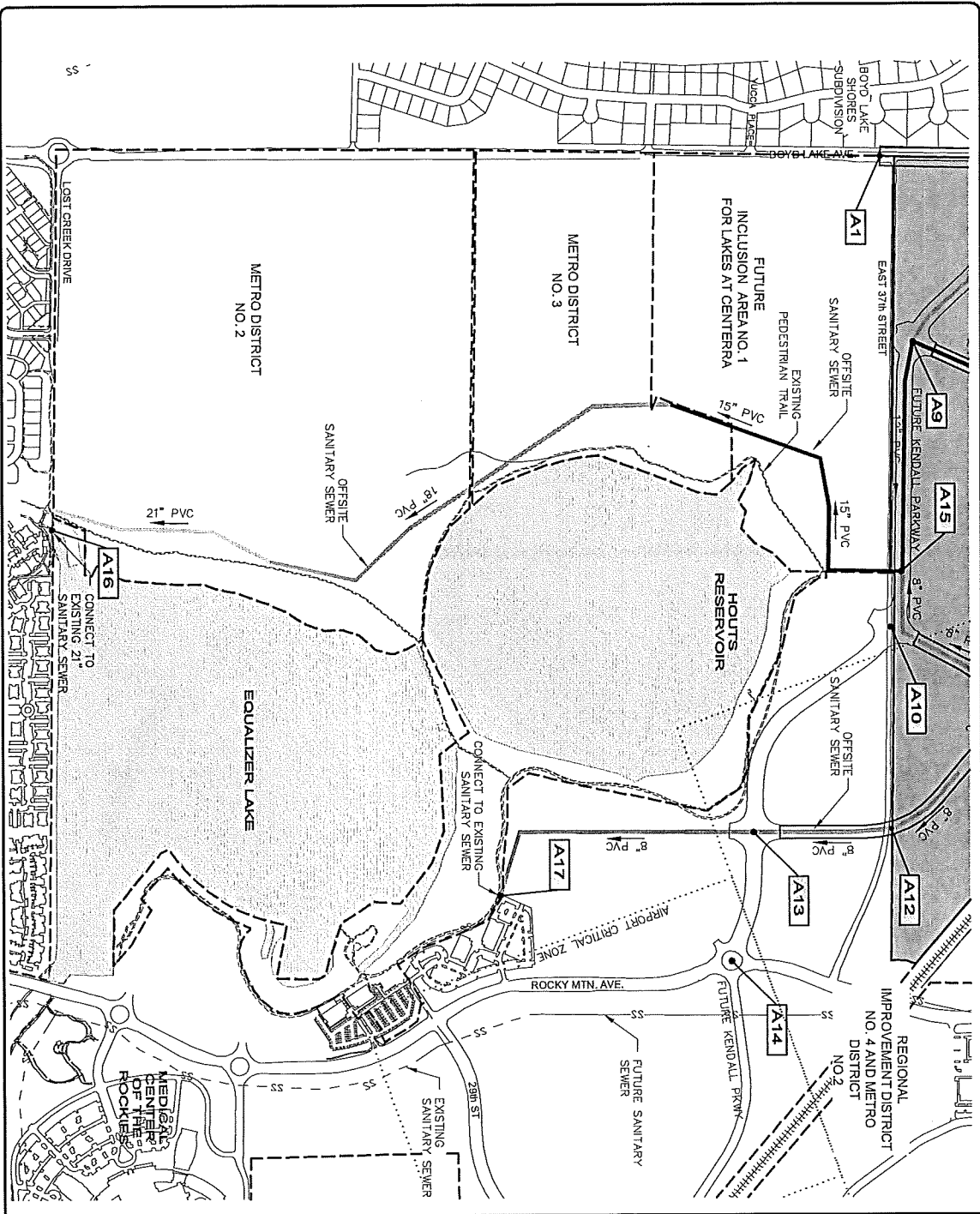
- 8" SDR-35 PVC
- 10" SDR-35 PVC
- 12" SDR-35 PVC
- 15" SDR-35 PVC
- METRO DIST. NO. 5
- FUTURE INCLUSION AREA

NOTES

1. ALL PROPOSED SANITARY SEWER SIZES ARE APPROXIMATE AND SHALL BE CONFIRMED WITH FINAL ENGINEERING.
2. ALL OFFSITE SANITARY SEWER COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

**CENTERRA METRO DIST. 5
SANITARY SEWER EXHIBIT**

AUGUST 1, 2008



LEGEND:

	8" SDR-35 PVC
	12" SDR-35 PVC
	15" SDR-35 PVC
	18" SDR-35 PVC
	21" SDR-35 PVC
	METRO DIST. NO. 5

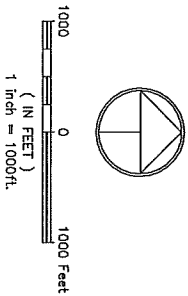
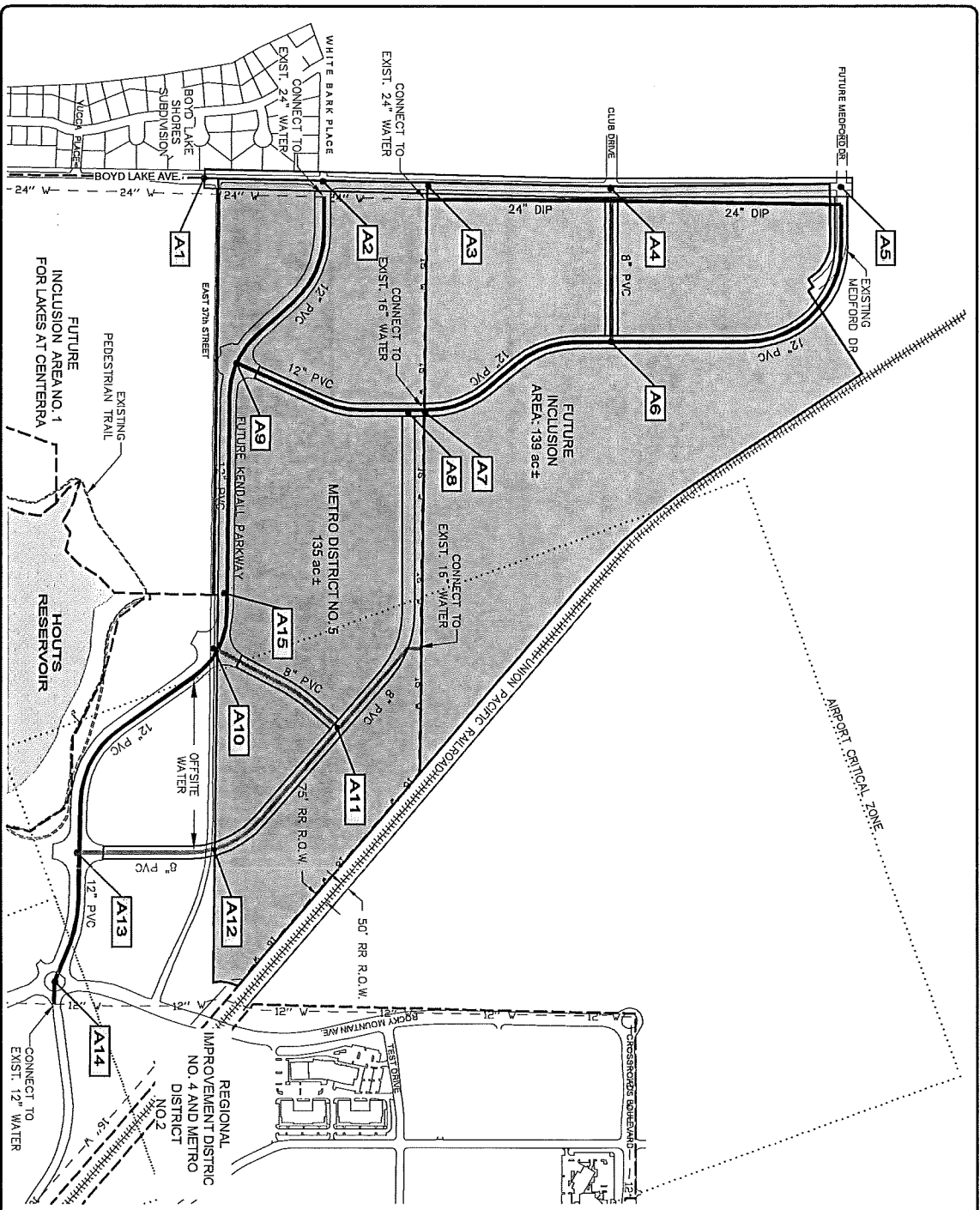
- NOTES**
1. ALL PROPOSED SANITARY SEWER SIZES ARE APPROXIMATE AND SHALL BE CONFIRMED WITH FINAL ENGINEERING.
 2. A DOWNSTREAM IMPACT ANALYSIS ON THE EXISTING SANITARY SEWER WITH OR PRIOR TO FINAL ENGINEERING.
 3. OFFSITE SANITARY SEWER LAYOUT IS BASED UPON CONCEPTUAL SITE PLANS RECEIVED TO DATE.
 4. ALL OFFSITE SANITARY SEWER COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

**CENTERRA METRO DIST. 5
OFFSITE
SANITARY SEWER EXHIBIT**

AUGUST 1, 2008

**NORTHERN
ENGINEERING**

2025 North Central Avenue, Suite 100
Fort Worth, Texas 76107
PHONE: 817.332.1111 FAX: 817.332.1111
WWW.NORTHERNENGINEERING.COM



LEGEND:

	8" PVC WATERLINE
	12" PVC WATERLINE
	24" DIP WATERLINE
	METRO DIST. NO. 5
	FUTURE INCLUSION AREA

- NOTES**
1. ALL PROPOSED WATER MAIN SIZES ARE APPROXIMATE AND SHALL BE CONFIRMED WITH FINAL ENGINEERING.
 2. ALL OFFSITE WATER MAIN COSTS SHALL BE SHARED BY METRO DISTRICTS 1-4.

**CENTERRA METRO DIST. 5
WATERLINE EXHIBIT**

AUGUST 1, 2008

NORTHERN ENGINEERING
222 1/2 North Central Avenue, Suite 100
Mesa, Arizona 85204
PHOENIX: 480-944-2222
TULSA: 918-437-4124
www.northern-engineering.com

EXHIBIT E

Cost Estimates

INFRASTRUCTURE COST SUMMARY



**SUMMARY OF INFRASTRUCTURE COSTS
FOR PRIMARY CENTERRA METRO DISTRICT #5 AND OFFSITES**

ROADWAYS & INTERSECTIONS COST SUMMARY

	<u>TOTAL ITEM COST</u>
Roadway & Intersection Total	\$7,595,237

SANITARY SEWER SYSTEM COST SUMMARY

	<u>TOTAL ITEM COST</u>
Primary Sanitary Sewer Subtotal	\$1,047,223
Offsite Sanitary Sewer Subtotal	\$1,988,156
Sanitary Sewer System Total	\$3,035,379

WATER SYSTEM COST SUMMARY

	<u>TOTAL ITEM COST</u>
Primary Water Subtotal	\$800,958
Offsite Water Subtotal	\$386,862
Water System Total	\$1,187,820

STORM SEWER SYSTEM COST SUMMARY

	<u>TOTAL ITEM COST</u>
Primary Storm Sewer Subtotal	\$2,079,897
Offsite Storm Sewer Subtotal	\$1,144,870
Storm Sewer System Total	\$3,224,766

LANDSCAPING, AMENITIES, & SIGNAGE COST SUMMARY

	<u>TOTAL ITEM COST</u>
Primary Landscaping, Amenities, & Signage Subtotal	\$1,387,695
Offsite Landscaping, Amenities, & Signage Subtotal	\$303,600
Landscaping, Amenities, & Signage Total	\$1,691,295

Primary Centerra Metro District #5 Infrastructure Total Cost	\$12,911,009
Offsite Infrastructure Total Cost	\$3,823,488

TOTAL PRIMARY CENTERRA METRO DISTRICT #5 & OFFSITE INFRASTRUCTURE COST	\$16,734,497
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**SUMMARY OF INFRASTRUCTURE COSTS
FOR FUTURE INCLUSION AREA**

ROADWAYS & INTERSECTIONS COST SUMMARY

Future Inclusion Area Roadway & Intersection Total	<u>TOTAL ITEM COST</u> \$9,639,209
--	---------------------------------------

SANITARY SEWER SYSTEM COST SUMMARY

Future Inclusion Area Sanitary Sewer Total	<u>TOTAL ITEM COST</u> \$454,299
--	-------------------------------------

WATER SYSTEM COST SUMMARY

Future Inclusion Area Water System Total	<u>TOTAL ITEM COST</u> \$919,817
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STORM SEWER SYSTEM COST SUMMARY

Future Inclusion Area Storm Sewer System Total	<u>TOTAL ITEM COST</u> \$1,162,345
--	---------------------------------------

LANDSCAPING, AMENITIES, & SIGNAGE COST SUMMARY

Future Inclusion Area Landscaping, Amenities, & Signage Total	<u>TOTAL ITEM COST</u> \$1,599,243
---	---------------------------------------

TOTAL FUTURE INCLUSION AREA INFRASTRUCTURE COST	\$13,774,913
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Total Primary Centerra Metro Distric #5 Infrastructure Costs	\$12,911,009
Total Offsite Infrastructure Costs	\$3,823,488
Total Future Inclusion Area Infrastructure Costs	\$13,774,913
Total Combined Infrastructure Costs	\$30,509,411

ROADWAYS AND INTERSECTIONS

ROADWAY COST ASSUMPTIONS

1. Boyd Lake Avenue is assumed to be a 4-lane arterial and the interior streets inside the District boundaries are assumed to be major collectors.
2. The roadway exhibit for Boyd Lake Avenue begins at node A-1. This is presently an intersection with the existing 37th Avenue (aka CR-24) and the existing Boyd Lake Avenue. As proposed on the exhibit, this intersection will be abandoned and will be replaced with the intersection labeled A-2, which will be the future Kendall Parkway.
3. The Boyd Lake Avenue improvements do not anticipate the expense of the West side sidewalk nor the West side streetscape.
4. At intersection A-5 the District responsibilities will end. It is, however, necessary for a roadway transition to be built to the North in order to transition the existing 2-lane roadway into the new 4-lane arterial cross-section. Only the roadway transition is added to this estimate and not the concrete nor parkways.
5. Due to the preliminary nature of the plans, the grading is an assumption of 3 feet of excavation and/or fill using only the roadways right of way width. No export nor import of earthwork is anticipated.
6. The pavement sections utilized for the estimates are assumptions based upon actual roadway cross sections recently used in nearby street improvement projects. It is realized that a final pavement thickness design will not be approved by the city until construction has commenced.
7. The pavement cross section herein assumed is as follows:
 - Excavation - 3 feet
 - 13% Fly Ash Subgrade - 12 inches
 - Aggregate Road Base - 8 inches
 - Asphalt Paving - 7 inches
8. The budget for the intersection is a generic costing for either signalization or roundabout construction.



ROADWAY & INTERSECTION COSTS

SUMMARY OF ROADWAYS & INTERSECTIONS

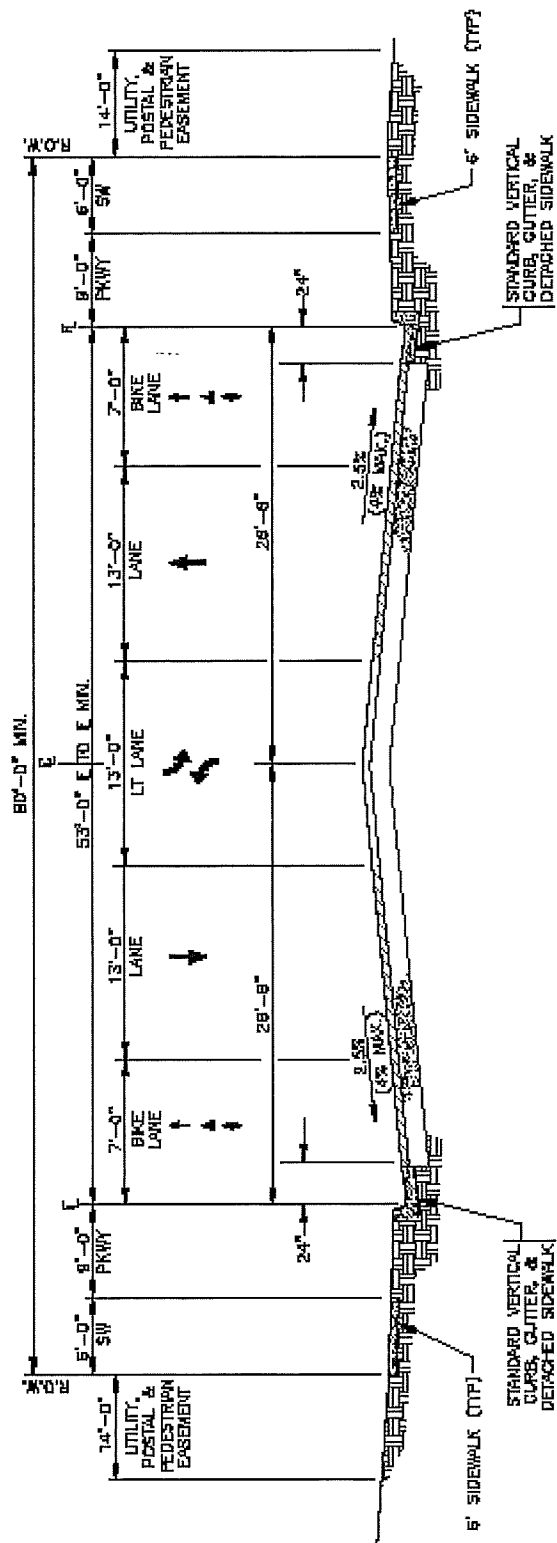
Primary Centerra Metro District #5

NODE - NODE	ROADWAY	CLASSIFICATION	LENGTH (LF)/(EA)	UNIT COST	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A1-A2	Boyd Lake	Arterial Road	750	\$930	\$697,500	\$223,200	\$138,105	\$1,058,805
A2-A3	Boyd Lake	Arterial Road	675	\$998	\$673,650	\$215,568	\$133,383	\$1,022,601
A7-A8	Interior	Major Collector	110	\$630	\$69,300	\$22,176	\$13,721	\$105,197
A8-A9	Interior	Major Collector	1030	\$630	\$648,900	\$207,648	\$128,482	\$985,030
A8-A11	Interior	Major Collector	2170	\$630	\$1,367,100	\$437,472	\$270,686	\$2,075,258
A10-A11	Interior	Major Collector	750	\$630	\$472,500	\$151,200	\$93,555	\$717,255
A11-A12	Interior	Major Collector	1150	\$630	\$724,500	\$231,840	\$143,451	\$1,099,791
A2	Boyd Lake	Intersection	1	\$350,000	\$350,000	\$112,000	\$69,300	\$531,300
Primary Roadway & Intersection Subtotal					\$5,003,450	\$1,601,104	\$990,683	\$7,595,237

Future Inclusion to Centerra Metro District #5

NODE - NODE	ROADWAY	CLASSIFICATION	LENGTH (LF)	UNIT COST	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A3-A4	Boyd Lake	Arterial Road	1165	\$956	\$1,113,740	\$356,397	\$220,521	\$1,690,657
A4-A5	Boyd Lake	Arterial Road	1525	\$1,130	\$1,723,250	\$551,440	\$341,204	\$2,615,894
A4-A6	Interior	Major Collector	940	\$630	\$592,200	\$189,504	\$117,256	\$898,960
A5-A6	Interior	Major Collector	2175	\$630	\$1,370,250	\$438,480	\$271,310	\$2,080,040
A6-A7	Interior	Major Collector	1350	\$630	\$850,500	\$272,160	\$168,399	\$1,291,059
A4	Boyd Lake	Intersection	1	\$350,000	\$350,000	\$112,000	\$69,300	\$531,300
A5	Boyd Lake	Intersection	1	\$350,000	\$350,000	\$112,000	\$69,300	\$531,300
Future Inclusion Roadway & Intersection Subtotal					\$6,349,940	\$2,031,981	\$1,257,288	\$9,639,209

Roadway & Intersection Total					\$11,353,390	\$3,633,085	\$2,247,971	\$17,234,446
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**TYPICAL STREET SECTION
2-LANE MAJOR COLLECTOR**

NOT TO SCALE

SANITARY SEWER

SANITARY SEWER ENGINEERING AND COST ASSUMPTIONS

SANITARY SEWER ENGINEERING ASSUMPTIONS

1. The exhibit accompanying this section illustrates the size and location of the proposed sanitary sewer interceptors. It does not include sewer services or special features unless noted otherwise. The interceptor sizes are estimates only, and must be verified by a total system analysis (dependant upon exact land uses, etc.) at Final Engineering.
2. The current Centerra Wastewater Master plan does not include the contributing areas labeled "Future Inclusionary Areas" in the wastewater calculations. These areas account for approximately 139-acres of additional land to be included within the Centerra Metro District #5. Due to this additional contributing area, the offsite sanitary sewer system has been preliminary resized from that shown in the current Centerra Wastewater Master plan. An update to the Centerra Wastewater Master plan should be performed prior to Final Engineering of Centerra Metro District #5 to analyze downstream impacts and to confirm all pipe sizes shown in the analysis.
3. Where applicable, existing contour information was used to aid in the layout of the interceptor sewers. No contour information was available at the time of this estimate in the areas north of Parcels 218 and 219. When final over lot grading is established this sewer layout and the depths of cover must be verified and re-evaluated for final design.
4. Sanitary sewer located south of Future Kendall Parkway has been noted as "offsite" for this analysis.

SANITARY SEWER COST ASSUMPTIONS

1. The unit prices stated in the cost analysis are inclusive of pipe, bedding, manholes, fittings, and anticipate wet and/or rock conditions.
2. The offsite sewer is critical to District #5, but will be a cost shared expense with the adjacent developments to the south.
3. No laterals have been designed, but it is assumed that the stated lineal foot cost of mainline will sustain a reasonable number of stubbed laterals from the main.
4. The South Fort Collins Sanitation District is believed to be at the north property line of the Future Inclusion Area near node A-5. It is therefore assumed that there is no need to extend these sewer lines to the north for any future use by future developments.



SANITARY SEWER SYSTEM COSTS

SUMMARY OF SANITARY SEWER SYSTEM

Primary Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A2-A9	Future Kendall	8" SDR-35 PVC	\$77	1030	\$79,310	\$25,379	\$15,703	\$120,393
A7-A8	Major Collector	10" SDR-35 PVC	\$92	120	\$11,040	\$3,533	\$2,186	\$16,759
A8-A9	Major Collector	10" SDR-35 PVC	\$92	400	\$36,800	\$11,776	\$7,286	\$55,862
	Major Collector	12" SDR-35 PVC	\$117	750	\$87,750	\$28,080	\$17,375	\$133,205
A8-A11	Major Collector	8" SDR-35 PVC	\$77	1830	\$140,910	\$45,091	\$27,900	\$213,901
A9-A10	Future Kendall	12" SDR-35 PVC	\$117	1460	\$170,820	\$54,662	\$33,822	\$259,305
	Future Kendall	8" SDR-35 PVC	\$77	390	\$30,030	\$9,610	\$5,946	\$45,586
A10-A11	Major Collector	8" SDR-35 PVC	\$77	850	\$65,450	\$20,944	\$12,959	\$99,353
A11-A12	Major Collector	8" SDR-35 PVC	\$77	880	\$67,760	\$21,683	\$13,416	\$102,860
Primary Sanitary Sewer Subtotal					\$689,870	\$220,758	\$136,594	\$1,047,223

Future Inclusion to Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A5-A6	Major Collector	8" SDR-35 PVC	\$77	1825	\$140,525	\$44,968	\$27,824	\$213,317
A4-A6	Major Collector	8" SDR-35 PVC	\$77	600	\$46,200	\$14,784	\$9,148	\$70,132
A6-A7	Major Collector	8" SDR-35 PVC	\$77	470	\$36,190	\$11,581	\$7,166	\$54,936
	Major Collector	10" SDR-35 PVC	\$92	830	\$76,360	\$24,435	\$15,119	\$115,914
Future Inclusion Sanitary Sewer Subtotal					\$299,275	\$95,768	\$59,256	\$454,299

Offsite

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A12-A13	Major Collector	8" SDR-35 PVC	\$77	870	\$66,990	\$21,437	\$13,264	\$101,691
A15	So. to Equalizer	15" SDR-35 PVC	\$146	2180	\$318,280	\$101,850	\$63,019	\$483,149
		18" SDR-35 PVC	\$151	2900	\$437,900	\$140,128	\$86,704	\$664,732
		21" SDR-35 PVC	\$186	1530	\$284,580	\$91,066	\$56,347	\$431,992
A13	So. to 29th	8" SDR-35 PVC	\$77	2623	\$201,971	\$64,631	\$39,990	\$306,592
Offsite Sanitary Sewer Subtotal					\$1,309,721	\$419,111	\$259,325	\$1,988,156

Sanitary Sewer System Total **\$2,298,866** **\$735,637** **\$455,175** **\$3,489,679**

WATER

WATER ENGINEERING AND COST ASSUMPTIONS

WATER ENGINEERING ASSUMPTIONS

1. The exhibits accompanying this section illustrate the size and location of proposed water transmission mains. It does not include service lines or special features (pipe lowerings, borings, etc.) unless noted otherwise. The main (derived from the City of Loveland Water Distribution Master Plan) are estimates only, and must be verified by a total system analysis (dependant upon exact land uses, etc.).
2. The City of Loveland will analyze the water distribution system during Final Engineering at which time pipe sizes and fire flow performance will be verified.
3. The assumptions, based on the City of Loveland specifications, require:
 - a. Minimum water main size 8"
 - b. Fire Hydrants will be located every 600 feet for single family/duplex residential developments and every 400' for all other development types.
 - c. Isolation valves will be located at each block (one valve for each leg), fire hydrants and every 600' along transmission lines.
 - d. Pipe sizes 16-inches and above require butterfly valves. Pipe sizes below 16-inch require gate valves.
4. For estimating purposes, PVC is assumed for all mains 16" and less and Ductile Iron is assumed for all mains larger than 16".

WATER COST ASSUMPTIONS

1. The 24" DIP water main depicted in the exhibit along Boyd Lake Ave. extending northerly to node A-5 is included within the cost estimated. It is doubtful, however, that this will be necessary for any future extension northerly as the Fort Collins Loveland Water District exists at node A-5. It would be, therefore, predictable that this mainline is either not needed, could be greatly downsized, or that if this is to be connected to Fort Collins Loveland that a cost share agreement could be agreed to.
2. It is assumed that any earthwork required for the 12" watermain shown in the future Kendall Parkway will be completed by District #1 who has previous responsibility for this roadway construction.
3. The unit prices depicted in the costing spread are inclusive of valves, fittings, fire hydrants, etc.
4. The 12" watermain shown on the exhibit from Node A-10 to A-14 and the 8" main from A-12 to A-13 are included in the offsite estimate which should ultimately be cost shared by adjacent developments.
5. Water main stubs for future streets within the development are not included within the cost analysis due to variables of future planning. Their future costs should be incidental, however, to the contingency of the overall project.
6. Service lines are not included in the estimate, however, the cost of a reasonable amount of lateral stub outs are included in the price per lineal foot of water main.
7. The cost of the removal and replacement of the 6" Little Thompson Water District waterline currently existing along Boyd Lake Avenue is included in the roadway unit price for the Boyd Lake Avenue roadway improvements.
8. It is assumed that there will be two wet tap tie ins to complete the water line. One located at node A-2 and one located between nodes A-8 and A-11.
9. It is assumed that the tie onto the existing 24" watermain will not require it to be shut down during the construction tie in.



WATER SYSTEM COSTS

SUMMARY OF WATER SYSTEM

Primary Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A2-A9	Future Kendall	** 12" C900 PVC	\$81	1250	\$101,250	\$32,400	\$20,048	\$153,698
A7-A8	Major Collector	* 12" C900 PVC	\$81	110	\$8,910	\$2,851	\$1,764	\$13,525
A8-A9	Major Collector	* 12" C900 PVC	\$81	1140	\$92,340	\$29,549	\$18,283	\$140,172
A9-A10	Future Kendall	12" C900 PVC	\$75	1830	\$137,250	\$43,920	\$27,176	\$208,346
A10-A11	Major Collector	8" C900 PVC	\$66	920	\$60,720	\$19,430	\$12,023	\$92,173
A11-A8	Major Collector	** 8" C900 PVC	\$71	750	\$53,250	\$17,040	\$10,544	\$80,834
A11-A12	Major Collector	8" C900 PVC	\$66	1120	\$73,920	\$23,654	\$14,636	\$112,211
Primary Water Subtotal					\$527,640	\$168,845	\$104,473	\$800,958

Future Inclusion to Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A3-A5	Boyd Lake Ave.	24" DIP Waterline	\$111	2640	\$293,040	\$93,773	\$58,022	\$444,835
A4-A6	Major Collector	8" C900 PVC	\$66	900	\$59,400	\$19,008	\$11,761	\$90,169
A5-A6	Major Collector	12" C900 PVC	\$75	2070	\$155,250	\$49,680	\$30,740	\$235,670
A6-A7	Major Collector	12" C900 PVC	\$75	1310	\$98,250	\$31,440	\$19,454	\$149,144
Future Inclusion Water Subtotal					\$605,940	\$193,901	\$119,976	\$919,817

Offsite

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A10-A13	Future Kendall	12" C900 PVC	\$75	1670	\$125,250	\$40,080	\$24,800	\$190,130
A13-A14	Future Kendall	12" C900 PVC	\$75	980	\$73,500	\$23,520	\$14,553	\$111,573
A12-A13	Major Collector	8" C900 PVC	\$66	850	\$56,100	\$17,952	\$11,108	\$85,160
Offsite Water Subtotal					\$254,850	\$81,552	\$50,460	\$386,862

Water System Total **\$1,388,430** **\$444,298** **\$274,909** **\$2,107,637**

Notes:

- * Unit Cost includes lowering
- ** Unit Cost includes ties to existing

STORM SEWER

STORM SEWER ENGINEERING AND COST ASSUMPTIONS

STORM SEWER ENGINEERING ASSUMPTIONS

1. The storm drainage analysis is based on the City of Loveland Drainage Criteria Manual.
2. C-values were determined by the proposed land use, assuming that soils are of type C&D. Impervious percentages for the site were based on Light Industrial/Office development, which resulted in impervious values of 85%. The roadways and pond areas for the site were not broken out separately in this study; it is assumed that an overall average imperviousness will be 85%. Below are the C-values as defined in the Urban Drainage Manual.
 - Light Industrial/Office = 85% Impervious, $C_2=0.66$, $C_5=0.68$, $C_{100}=0.79$
 - Off-site Detention Pond/Trail, 10% Impervious, $C_2=0.11$, $C_5=0.21$, $C_{100}=0.53$
3. There are detention/water quality ponds shown on the plans that are separate from the area studied, located on the High Plains Environmental Center property. The ponds were designed with the HPEC trails project (750-042), but never constructed. The trail was constructed around the area planned for the future ponds in the summer of 2007. The proposed volume for the ponds was taken from the design and used as a portion of the required detention volumes required for the site:

Pond Description	Volume Required (ac-ft)	Volume Provided (ac-ft)
Pond A	8.06	9.0
Pond B	15.79	16.0
Pond C	17.91	18.0
Pond D	15.74	4.0
HPEC Ponds (off-site)		12.5 (16.5 total)

4. Pond sizing assumptions:
 - Ponds were sized using the 100-year event criteria, using the new Full Spectrum Detention Sizing Criteria required by the City of Loveland.
 - Ponds were sized for the 100-year storm developed duration, releasing at 1 cfs/acre. The release value was based on the Houts/Equalizer Master Drainage Plan (July 2001 - Nolte Associates).
 - Ponds were sized figuring pond depths based on surrounding topography. They are as follows:

Pond Description	Outlet Elevation	Water Surface	Pond Depth (ft)
		Elevation	
Pond A	4967.0	4975.0	8.0
Pond B	4962.0	4970.0	8.0
Pond C	4975.5	4980.0	4.5
Pond D	4959.0	4963.0	4.0
HPEC Ponds (off-site)	4955.5	4960.0	4.5

- Pond grading was estimated at the same volume as the storage requirements, leaving one foot of freeboard to tie into the existing ground elevations.
- Pond C discharges through an existing storm pipe under Boyd Lake Avenue. Drainage then travels via a swale to Boyd Lake, located west of the site. The culvert under Boyd Lake Avenue is shallow, making an adequate drainage system to the northeast portion of the "Future Inclusion Area" somewhat difficult. During Final Engineering improvements to the existing swale and culvert may be required to increase pond outlet depths.
- Ponds A, B, and D will discharge into Houts/Equalizer Reservoir. A swale was originally planned along the property line south of Pond B. The swale location may need to be modified, but has been shown as the outlet location for Ponds A and B.

STORM SEWER ENGINEERING AND COST ASSUMPTIONS

- The off-site Airport drainage is referenced in the Airport Master Drainage plan which lists the discharge from this basin to be 54 cfs. This flow has been routed through Metro District #5 to Houts Reservoir.
 - The Airport Master Drainage plan was found to be in error by the City of Loveland. At the time of development, the off-site Airport drainage discharge shall be re-evaluated.
5. All storm pipe was sized assuming a slope of 0.50%, and a Manning's n=0.013. All storm pipe was sized assuming non-pressured flow conditions, with the pipes flowing full. Final pipes will likely be smaller in diameter than those shown due to the modeling assumptions used in this analysis. The sizes for this analysis error on the conservative side.
 6. The pipe design employed at final engineering may differ from this estimate in terms of pipe quantities, sizes, or appurtenances. Pipe alignments may also change based on lot layouts within each basin.
 7. Street capacities on-site were not reviewed with this study. It has been assumed that inlets for roadway drainage will tie into storm pipes shown at necessary intervals. Drainage for lots will be accommodated in the storm pipe system.
 8. Street capacities in Boyd Lake Avenue were studied. Slopes in Boyd Lake Avenue were assumed to be 0.5%, matching existing slopes in the road. Existing high and low points were also respected. In general, roadway drainage will not exceed capacities. The area of Boyd Lake Avenue at the northern edge of the site may need inlets placed north of the proposed roadway intersection. Topography for that area was not available, so additional study will be needed. Inlets will need to be placed at an existing low point west of Pond C. A small portion of the roadway at the southern edge of the site will travel south and need to be accommodated in the drainage study for the Lakes Subdivision, which also follows historic drainage patterns.
 9. Conceptual swales were added to the site plan along their corresponding open space requirements. Below is a summary of the two swales shown:

Description	Bottom Width (ft)	Side Slope (horiz:vert)	Bottom Slope (ft/ft)	Water Depth (ft)	Overall Width w/freeboard (ft)	Overall Width used (ft)
Airport Drainage Swale	4.0	4:1	0.0050	1.67' (2.67' w/1.0' freeboard)	25.36	30
Pond B Outlet Swale	4.0	4:1	0.0050	2.72' (3.72' w/1.0' freeboard)	33.76	35

STORM SEWER COST ASSUMPTIONS

1. It is assumed that the sizes depicted on the exhibit will be sufficient for developed land and street construction drainage.
2. The offsite detention ponds estimated construction costs are itemized in the tables and it is anticipated that a portion of these costs will be shared by the adjacent developments who will also contribute storm waters to these ponds.



STORM SEWER SYSTEM COSTS

SUMMARY OF ROADWAY STORM SEWER SYSTEM

Primary Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A2-A3	Boyd Lake	24" RCP	\$69	460	\$31,740	\$10,157	\$6,285	\$48,181
A2-A9	Future Kendall	24" RCP	\$60	295	\$17,700	\$5,664	\$3,505	\$26,869
	Future Kendall	48" RCP	\$149	795	\$118,455	\$37,906	\$23,454	\$179,815
	To Pond A	54" RCP	\$132	50	\$6,600	\$2,112	\$1,307	\$10,019
A7-A9	To Pond A	36" RCP	\$115	965	\$110,975	\$35,512	\$21,973	\$168,460
A9-A10	Pond A to B	36" RCP	\$110	1560	\$171,600	\$54,912	\$33,977	\$260,489
	Pond A to B	48" RCP	\$145	55	\$7,975	\$2,552	\$1,579	\$12,106
	Pond B to Swale	54" RCP	\$162	80	\$12,960	\$4,147	\$2,566	\$19,673
	Pond B to Swale	54" FES	\$1,584	1	\$1,584	\$507	\$314	\$2,405
A8-A11	Major Collector	42" RCP	\$144	800	\$115,200	\$36,864	\$22,810	\$174,874
	Major Collector	54" RCP	\$164	840	\$137,760	\$44,083	\$27,276	\$209,120
	To Pond C	72" RCP	\$264	905	\$238,920	\$76,454	\$47,306	\$362,681
A11-A12	Major Collector	48" RCP	\$150	800	\$120,000	\$38,400	\$23,760	\$182,160
	Major Collector	60" RCP	\$225	245	\$55,125	\$17,640	\$10,915	\$83,680
Primary Roadway Storm Sewer Subtotal					\$1,146,594	\$366,910	\$227,026	\$1,740,530

Detention Ponds Primary Centerra Metro District #5

POND #	POND AREA (ACRES)	GRADING COST	STRUCTURE COST	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Pond A	1	\$52,070	\$40,000	\$92,070	\$29,462	\$18,230	\$139,762
Pond B	2	\$101,492	\$30,000	\$131,492	\$42,077	\$26,035	\$199,605
Primary Detention Pond Subtotal				\$223,562	\$71,540	\$44,265	\$339,367
Primary Storm Drainage Subtotal				\$1,370,156	\$438,450	\$271,291	\$2,079,897

Future Inclusion to Centerra Metro District #5

NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A4-A5	To Pond A	54" RCP	\$165	1670	\$275,550	\$88,176	\$54,559	\$418,285
A4-A6	To Pond A	66" RCP	\$261	135	\$35,235	\$11,275	\$6,977	\$53,487
	To Pond A	54" RCP	\$182	550	\$100,100	\$32,032	\$19,820	\$151,952
A5-A6	Major Collector	42" RCP	\$141	740	\$104,340	\$33,389	\$20,659	\$158,388
	Major Collector	54" RCP	\$171	475	\$81,225	\$25,992	\$16,083	\$123,300
Future Inclusion Storm Sewer Subtotal					\$596,450	\$190,864	\$118,097	\$905,411

Detention Ponds Future Inclusion to Centerra Metro District #5

POND #	POND AREA (ACRES)	GRADING COST	STRUCTURE COST	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Pond C	4	\$129,258	\$40,000	\$169,258	\$54,163	\$33,513	\$256,934
Future Inclusion Detention Pond Subtotal				\$169,258	\$54,163	\$33,513	\$256,934
Future Inclusion Storm Drainage Subtotal				\$765,708	\$245,027	\$151,610	\$1,162,345



STORM SEWER SYSTEM COSTS

Offsite								
NODE-NODE	LOCATION	DESCRIPTION	UNIT COST	QUANTITY (LF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
A12-A13	Major Collector	60" RCP	\$211	830	\$175,130	\$56,042	\$34,676	\$265,847
A10-A13	To Pond D	42" RCP	\$130	785	\$102,050	\$32,656	\$20,206	\$154,912
	Pond D to Offsite	48" RCP	\$143	135	\$19,305	\$6,178	\$3,822	\$29,305
	A13 to Offsite	72" RCP	\$260	250	\$65,000	\$20,800	\$12,870	\$98,670
A13-A14	Future Kendall	48" RCP	\$142	640	\$90,880	\$29,082	\$17,994	\$137,956
Offsite Storm Sewer Subtotal					\$452,365	\$144,757	\$89,568	\$686,690
Detention Ponds Offsite								
POND #	POND AREA (ACRES)	GRADING COST	STRUCTURE COST		TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Pond D	0.75	\$38,103	\$30,000		\$68,103	\$21,793	\$13,484	\$103,380
Offsites	5.6	\$203,728	\$30,000		\$233,728	\$74,793	\$46,278	\$354,799
Offsite Detention Pond Subtotal					\$301,831	\$96,586	\$59,763	\$458,179
Offsite Storm Drainage Subtotal					\$754,196	\$241,343	\$149,331	\$1,144,870
Storm Sewer System Total					\$2,890,060	\$924,819	\$572,232	\$4,387,111

LANDSCAPING, AMENITIES & SIGNAGE

LANDSCAPE COST ASSUMPTIONS

1. The roadway streetscapes are included within the roadway lineal foot cost of the roadways.
2. The 40-foot open space buffer along the railroad right of way is budgeted for medium density landscape.
3. The landscaping around the intended monumentation is included with the monument unit pricing.
4. The monumentation is budgeted with an average pricing which can be adjusted for more in some areas with less in other areas.



LANDSCAPING, AMENITIES, AND SIGNAGE COSTS

SUMMARY OF PERIMETER LANDSCAPING, AMENITIES, AND MONUMENTATION

Primary Centerra Metro District #5

LOCATION	DESCRIPTION	UNIT COST	QUANTITY (SF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Along UPRR	Landscaping	\$4	74800	\$299,200	\$95,744	\$59,242	\$454,186
Along UPRR	UP ROW Fencing	\$8	1870	\$14,960	\$4,787	\$2,962	\$22,709
Entrances	Monumentation	\$200,000	3	\$600,000	\$192,000	\$118,800	\$910,800
Primary Landscape, Amenities, & Signage Subtotal				\$914,160	\$292,531	\$181,004	\$1,387,695

Future Inclusion to Centerra Metro District #5

LOCATION	DESCRIPTION	UNIT COST	QUANTITY (SF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Along UPRR	Landscaping	\$4	155600	\$622,400	\$199,168	\$123,235	\$944,803
Along UPRR	UP ROW Fencing	\$8	3890	\$31,120	\$9,958	\$6,162	\$47,240
Entrances	Monumentation	\$200,000	2	\$400,000	\$128,000	\$79,200	\$607,200
Future Inclusion Landscape, Amenities, & Signage Subtotal				\$1,053,520	\$337,126	\$208,597	\$1,599,243

Offsite

LOCATION	DESCRIPTION	UNIT COST	QUANTITY (SF)/(EA)	TOTAL CONSTRUCTION COST	INDIRECTS	CONTINGENCY	TOTAL ITEM COST
Entrances	Monumentation	\$200,000	1	\$200,000	\$64,000	\$39,600	\$303,600
Offsite Landscape, Amenities, & Signage Subtotal				\$200,000	\$64,000	\$39,600	\$303,600

Landscape, Amenities, & Signage Total				\$2,167,680	\$693,658	\$429,201	\$3,290,538
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INDIRECT COSTS



ANTICIPATED INDIRECT EXPENSES

Engineering	8%
Planning	2%
Plan Review & Bid Process	1%
Construction Staking	3%
Re-Staking	0.5%
As-Built Certification	0.5%
Material Testing	2%
Legal & Administrative	5%
Construction Management	5%
Warranties & Maintenance	2%
Permits & Fees	1%
Miscellaneous	2%
Total Indirects	32%
Cost Contingency	15%

EXHIBIT F
Financing Plan



MEMORANDUM

TO: Board of Directors, Centerra No. 5 Metropolitan District
DATE: February 12, 2008
SUBJECT: Financial Model – Centerra No. 5 Metropolitan District

INTRODUCTION AND SCOPE

Pinnacle Consulting Group, Inc. has assembled the Financial Model for Centerra Metropolitan District No. 5 (District #5) based upon key assumptions provided by the Developer. The Financial Model was assembled in order to provide a conceptual understanding of the valuation of the buildout within the District, which results in Property Tax Revenues. District #5 is organized as a Financing District and District #1 is the Service District ("Service District #1) and is responsible, through an Intergovernmental Agreement ("IGA"), to construct and operate all public facilities owned by the Districts. All net revenues of District #5 will be paid to Service District #1 under the IGA, the Centerra Master Financing and Intergovernmental Agreement and the Urban Renewal agreements with the City of Loveland. No administrative, operating or capital expenditures have been considered in this model, as all are expected to be incurred and paid by Service District #1, under these agreements.

FUTURE RATES OF COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION

The financial planning concept is that as the construction of future industrial commercial product occurs within the boundaries of District #5, incremental assessed valuation will generate property tax revenues for the District.

The Financial Model is based upon a total of 99.2 net developable acres (net of land for rights of way and roadways). With a density of 1.4FAR, this results in 1,728,460 of industrial building space, absorbed over 20 years, commencing in 2010.

The key assumptions with respect to future industrial commercial buildout, and related assessed valuation buildup, within the boundaries of District #5 are presented in detail on Pages 2 and 3. The Developer has provided this information and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time. Accordingly, the Financial Model reflects the Developer's judgment, as of the date of this report, of the expected conditions within the District's boundaries and the District's expected course of action. The assessed valuation estimates assume an average annual inflationary increase of 0% for all commercial property.

FUTURE RATES OF COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION

Comparative industrial property within Larimer County provided the basis of \$65/square foot for the actual value expected to be determined by the County Assessor.

It is assumed that District #5 will levy 10.0 mills, due to prevailing industry market analysis (provided by the Developer). Specific Ownership tax revenues are estimated to be approximately 6% of property tax revenue collections (District #5 portion only). It is assumed that the revenues generated by the Urban Renewal Authority (URA Mill Levy) are at 75.791 mills, which is the 2009 combined total mills of the other overlying taxing entities.

Technically, all Property Tax Revenues, for both the URA portion and the District #5 portion, will flow directly to the URA and then to the Centerra Master Financing and Intergovernmental Agreement.

County Treasurer Property Tax Collection Fees are assumed to be 2% of property tax revenue collections and reduce the Net Property Tax revenue to 98%.

IGA Payments to District #1 are calculated by adding specific ownership tax revenues to property tax revenues and deducting collection fees.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Pinnacle Consulting Group, Inc. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, there will usually be differences between forecasted and actual results, and those differences may be material. Key assumptions, such as those relating to market values of real property improvements and the buildout schedule of such property, are particularly sensitive in terms of the timing necessary to create the tax base for the District.

Because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented in the Financial Model. Pinnacle Consulting Group, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this memorandum.

The Financial Model has been assembled for Amended Service Plan submittal purposes only, and is not intended to be used by prospective purchasers, or investors, of Service District #1 future bond issues.

CENTERRA METROPOLITAN DISTRICT NO. 5

FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SUMMARY

FOR THE CALENDAR YEARS ENDING 2009 THROUGH 2034

Year	Commercial Assessed Value (See Page 2)	URA Mill Levy	Commercial Assessed Value (See Page 2)	Cen 5 Mill Levy	CASH RECEIPTS		Total Cash Receipts	CASH DISBURSEMENTS		Annual Cash Surplus / (Deficit)	Cumulative Cash Surplus Balances
					Net Property Taxes 98.00%	Specific Ownership Taxes 6.00%		Transfer to Centerra Metropolitan District No. 1			
2009	0		0				0			0	0
2010	0	75.791	0	10.000		0	0			0	0
2011	0	75.791	0	10.000		0	0			0	0
2012	1,629,074	75.791	1,629,074	10.000		136,965	137,942		(137,942)	0	0
2013	3,258,147	75.791	3,258,147	10.000		273,929	275,884		(275,884)	0	0
2014	4,887,221	75.791	4,887,221	10.000		410,894	413,826		(413,826)	0	0
2015	6,516,294	75.791	6,516,294	10.000		547,859	551,769		(551,769)	0	0
2016	8,145,368	75.791	8,145,368	10.000		684,823	689,710		(689,710)	0	0
2017	9,774,441	75.791	9,774,441	10.000		821,788	827,653		(827,653)	0	0
2018	11,403,515	75.791	11,403,515	10.000		958,753	965,595		(965,595)	0	0
2019	13,032,588	75.791	13,032,588	10.000		1,095,717	1,103,537		(1,103,537)	0	0
2020	14,661,662	75.791	14,661,662	10.000		1,232,682	1,241,479		(1,241,479)	0	0
2021	16,290,736	75.791	16,290,736	10.000		1,369,647	1,379,421		(1,379,421)	0	0
2022	17,919,809	75.791	17,919,809	10.000		1,506,611	1,517,363		(1,517,363)	0	0
2023	19,548,883	75.791	19,548,883	10.000		1,643,576	1,655,305		(1,655,305)	0	0
2024	21,177,956	75.791	21,177,956	10.000		1,780,540	1,793,247		(1,793,247)	0	0
2025	22,807,030	75.791	22,807,030	10.000		1,917,505	1,931,189		(1,931,189)	0	0
2026	24,436,103	75.791	24,436,103	10.000		2,054,470	2,069,132		(2,069,132)	0	0
2027	26,065,177	75.791	26,065,177	10.000		2,191,434	2,207,073		(2,207,073)	0	0
2028	27,694,250	75.791	27,694,250	10.000		2,328,399	2,345,016		(2,345,016)	0	0
2029	29,323,324	75.791	29,323,324	10.000		2,465,364	2,482,958		(2,482,958)	0	0
2030	30,952,397		30,952,397	10.000		303,333	321,904		(321,904)	0	0
2031	32,581,471		32,581,471	10.000		319,298	338,847		(338,847)	0	0
2032	32,581,471		32,581,471	10.000		319,298	338,847		(338,847)	0	0
2033	32,581,471		32,581,471	10.000		319,298	338,847		(338,847)	0	0
2034	32,581,471		32,581,471	10.000		319,298	338,847		(338,847)	0	0
						25,001,481	25,265,391		(25,265,391)	0	

CENTERRA METROPOLITAN DISTRICT NO. 5

FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF PROJECTED COMMERCIAL CONSTRUCTION

FOR THE CALENDAR YEARS ENDING 2009 THROUGH 2034

Commercial Development									
Constr- -uction Year	Building Square Feet	Building Square Feet	INDUSTRIAL		Total Development		Commercial		Constr- -uction Year
			Building and Land Actual Value	Annual Square Foot Value of	Commercial Development Cumulative Square Feet	Commercial Development Cumulative Actual Value			
	1,728,460		\$65.00	0	0	0	0	0	2009
2010	86,423	86,423	5,617,495	0	86,423	86,423	5,617,495	5,617,495	2010
2011	86,423	86,423	5,617,495	5,617,495	172,846	172,846	11,234,990	11,234,990	2011
2012	86,423	86,423	5,617,495	5,617,495	259,269	259,269	16,852,485	16,852,485	2012
2013	86,423	86,423	5,617,495	5,617,495	345,692	345,692	22,469,980	22,469,980	2013
2014	86,423	86,423	5,617,495	5,617,495	432,115	432,115	28,087,475	28,087,475	2014
2015	86,423	86,423	5,617,495	5,617,495	518,538	518,538	33,704,970	33,704,970	2015
2016	86,423	86,423	5,617,495	5,617,495	604,961	604,961	39,322,465	39,322,465	2016
2017	86,423	86,423	5,617,495	5,617,495	691,384	691,384	44,939,960	44,939,960	2017
2018	86,423	86,423	5,617,495	5,617,495	777,807	777,807	50,557,455	50,557,455	2018
2019	86,423	86,423	5,617,495	5,617,495	864,230	864,230	56,174,950	56,174,950	2019
2020	86,423	86,423	5,617,495	5,617,495	950,653	950,653	61,792,445	61,792,445	2020
2021	86,423	86,423	5,617,495	5,617,495	1,037,076	1,037,076	67,409,940	67,409,940	2021
2022	86,423	86,423	5,617,495	5,617,495	1,123,499	1,123,499	73,027,435	73,027,435	2022
2023	86,423	86,423	5,617,495	5,617,495	1,209,922	1,209,922	78,644,930	78,644,930	2023
2024	86,423	86,423	5,617,495	5,617,495	1,296,345	1,296,345	84,262,425	84,262,425	2024
2025	86,423	86,423	5,617,495	5,617,495	1,382,768	1,382,768	89,879,920	89,879,920	2025
2026	86,423	86,423	5,617,495	5,617,495	1,469,191	1,469,191	95,497,415	95,497,415	2026
2027	86,423	86,423	5,617,495	5,617,495	1,555,614	1,555,614	101,114,910	101,114,910	2027
2028	86,423	86,423	5,617,495	5,617,495	1,642,037	1,642,037	106,732,405	106,732,405	2028
2029	86,423	86,423	5,617,495	5,617,495	1,728,460	1,728,460	112,349,900	112,349,900	2029
2030			0	0	1,728,460	1,728,460	112,349,900	112,349,900	2030
2031			0	0	1,728,460	1,728,460	112,349,900	112,349,900	2031
2032			0	0	1,728,460	1,728,460	112,349,900	112,349,900	2032
	1,728,460		112,349,900						

EXHIBIT G

Statutory Contents of this Service Plan [§ 32-1-202(2) & (2.5), C.R.S.]

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the District;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the District's boundaries and an estimate of the population and valuation for assessment of the District;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to § 32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in § 32-1-203, C.R.S., has been met:
 - a. That there is sufficient existing and projected need for organized service in the area to be served by the District;
 - b. That the existing service in the area to be served by the District is inadequate for the present and projected needs;
 - c. That the District is capable of providing economical and sufficient service to the area within its boundaries;
 - d. That the area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. That adequate service is not, or will not be, available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

f. That the facility and service standards of the District are compatible with the facility and service standards of the City within which the District are to be located;

g. The proposal is in substantial compliance with any master plan adopted pursuant to § 31-23-206, C.R.S.;

h. That the proposal is in compliance with any duly adopted city, county, regional, or State long-range water quality management plan for the area; and

i. That the continued existence and operation of the District is in the best interests of the area to be served.