

RESOLUTION #R-92-2019

**A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING THE
CONSOLIDATED SERVICE PLAN FOR KINSTON METROPOLITAN DISTRICT NOS.
1 - 10**

WHEREAS, pursuant to Section 32-1-204.5 of Title 32, Article 1, of the Colorado Revised Statutes (“C.R.S.,” the “Special District Act”), the Consolidated Service Plan for Kinston Metropolitan District Nos. 1 - 10 (the “Districts”) has been submitted to the City Council (the “City Council”) of the City of Loveland, Colorado (the “City”); and

WHEREAS, a copy of said Consolidated Service Plan is attached hereto as **Exhibit “A”** and incorporated herein by reference (the “Service Plan”); and

WHEREAS, the Districts, generally located east of Centerra Parkway, west of North County Road 3 and north of Union Pacific Railroad, anticipate residential development of approximately 1,211 single family detached homes and multi-family residences consisting of up to 1,330 townhomes in Districts Nos. 1 – 9 and 287 additional residential units anticipated in District No. 10, all within 624.781 acres; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on August 6, 2019, in accordance with the Special District Act, as evidenced by the “Affidavit of Publication” attached hereto as **Exhibit “B”** and incorporated herein by reference; and

WHEREAS, in accordance with the Special District Act, notice of the hearing before the City Council must be sent to all property owners within the boundaries of the Districts, unless the petitioners for the Districts represent 100% of the property owners; and

WHEREAS, the petitioners for the Districts represent 100% of the property owners within the boundaries of the Districts; therefore, notice to property owners was not required under the Special District Act; and

WHEREAS, in accordance with the Special District Act, notice of the hearing before the City Council was also duly mailed by first class mail on August 6, 2019 to interested persons, defined as follows: (1) the Colorado Division of Local Government; and (2) the governing body of any municipality or special Districts 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 Districts’ boundaries, as evidenced by the Certificate of Mailing Notice of Public Hearing attached hereto as **Exhibit “C”** and incorporated herein by reference; and

WHEREAS, the boundaries of the proposed Districts are wholly contained within the boundaries of the City; and

WHEREAS, the boundaries of the proposed District Nos. 1 – 9 are anticipated to be wholly contained within the boundaries of Centerra Metropolitan District No. 3, (“CMD 3”), which has imposed a mill levy of 5 mills on the property within its boundaries pursuant to that certain “Centerra Master Financing and Intergovernmental Agreement” (“MFA”) and that certain “Intergovernmental Agreement Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement; and

WHEREAS, District Nos. 1 – 9, CMD 3 and the City intend to enter into an intergovernmental agreement, as attached hereto as **Exhibit “D”**, pursuant to which CMD 3 shall not impose a mill levy in excess of 5 mills through the termination of the MFA, and thereafter, CMD 3 will be required to submit a service plan amendment to the City for authorization to impose any future mill levies on the property; and

WHEREAS, a portion of the property to be included in one or more of the proposed District Nos. 1-9 is also within the Flex URA Modification Area of the Loveland Urban Renewal Authority’s US 34/Crossroads Corridor Renewal Plan (the “Plan”), and such property will be automatically excluded from the boundaries of the Modified URA Plan Area (as defined in the Plan) when developed for residential use; and

WHEREAS, the boundaries of the proposed District No. 10 are anticipated to be wholly contained within the boundaries of Centerra Metropolitan District No. 2 (“CMD 2”), which is currently subject to a debt service mill levy, and within the boundaries of Centerra Metropolitan District No. 4 (“CMD4”), which has not imposed a mill levy as of the date of this Resolution; and

WHEREAS, because property within CMD 2 and CMD 4 is intended for commercial use, the property within the proposed boundaries of District No. 10 will be excluded from CMD 2 and CMD 4, as authorized by City Council Resolution #R-98-2009, when the property is developed for residential use, and the property, upon exclusion, will be subject to CMD 2’s debt service mill levy and CMD 4’s debt service mill levy, if any, to pay its proportionate share of CMD 2’s debt and CMD 4’s debt, if any, outstanding immediately prior to the effective date of the exclusion; and

WHEREAS, pursuant to the Service Plan, until such time as the property within District No. 10 pays its proportionate share of indebtedness owed by CMD 2 and CMD 4, if any, the maximum mill levy District No. 10 may impose for the payment of principal of and interest on Debt shall not exceed 62 mills less the debt service mill levy imposed by CMD 2 and CMD 4, if any; and

WHEREAS, the boundaries of the proposed District No. 10 are anticipated to be wholly contained within the Original URA Plan Area (as defined in the Plan), which is not subject to automatic exclusion upon the development of the property for residential use, and would remain

subject the payment of tax increment revenues to the Loveland Urban Renewal Authority through the duration of the Plan in November 2027; and

WHEREAS, pursuant to the provisions of the Special District Act, the City Council held a public hearing on the Service Plan for the proposed Districts on September 3, 2019; and

WHEREAS, City Council considered the Service Plan, and all other testimony and evidence presented at said 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 C.R.S. Sections 32-1-202 (1), (2) and (3), relating to the filing of the Service Plan for the Districts, and the requirements of C.R.S. Sections 32-1-204 (1) and (1.5), relating to notice of the hearing by the City Council, and the requirements of C.R.S. Section 32-1-204.5, relating to the approval by the City Council, have been fulfilled.

Section 3. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

- a. there is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;
- b. the existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- c. the proposed Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
- d. the area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 4. That no evidence of the following was presented to City Council at the hearing:

- a. adequate service is or will be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;

b. the facility and service standards of the proposed Districts are not compatible with the facility and service standards of the City;

c. the proposal is not in substantial compliance with any Master Plan adopted by the City pursuant to C.R.S. Section 31-23-206, as amended;

d. the proposal is not in substantial compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; or

e. the creation of the proposed Districts will not be in the best interests of the area proposed to be served.

Section 5. That the City Council hereby finds that approval of the Service Plan is in the best interests of the property to be served, the City and the Districts.

Section 6. That the City Council hereby approves the Service Plan for the Districts as submitted, subject to Kinston Metropolitan Districts No. 1 – 9, Centerra Metropolitan District No. 3 and the City entering into an intergovernmental, in similar form attached hereto as **Exhibit “D,”** upon formation of the Districts, pursuant to which CMD 3 agrees that it shall not impose a mill levy in excess of 5 mills through the termination of the MFA, and thereafter, CMD 3 will be required to submit a service plan amendment to the City for authorization to impose any future mill levies on the property.

Section 7. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

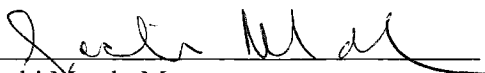
Section 8. That the City Council’s findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Service Plan and creation of the Districts.

Section 9. That nothing herein limits the City’s powers with respect to the Districts, the property within the Districts, or the improvements to be constructed by the Districts.

Section 10. That the City’s findings are based solely on the evidence in the Service Plan and such other evidence presented at the public hearing, and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the Districts or the achievability of the results as set forth in the Service Plan.

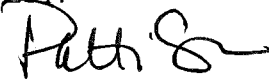
Section 11. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 3rd day of September, 2019.

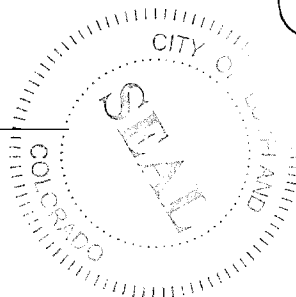


Jacki Marsh, Mayor

ATTEST:



Patti Garcia, City Clerk



APPROVED AS TO FORM:



City Attorney

A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING THE CONSOLIDATED SERVICE PLAN FOR KINSTON METROPOLITAN DISTRICT NOS. 1 - 10

EXHIBIT A

Consolidated Service Plan for Kinston Metropolitan District No. 1 – 10

**CONSOLIDATED SERVICE PLAN FOR
KINSTON METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10**

Prepared by:

**Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, Colorado 80237**

Approved by Loveland City Council: _____

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	General Overview	1
1.	Scope of Service Plan	1
2.	Multiple District Structure	1
3.	Benefits of Multiple District Structure	2
4.	Configuration of Districts	4
5.	Long-Term District Plan	4
6.	City Policy	5
7.	Dedication of Public Improvements	5
8.	Existing Services and Districts	7
9.	Property Owners Associations	7
B.	General Financial Information and Assumptions	7
C.	Contents of Service Plan	8
D.	Modification of Service Plan	8
II.	NEED FOR NEW DISTRICTS AND GENERAL POWERS	9
A.	Need for Metropolitan Districts	9
B.	General Powers of Districts	9
1.	Sanitation and Storm Drainage	9
2.	Water	9
3.	Streets	10
4.	Traffic and Safety Controls	10
5.	Parks and Recreation	10
6.	Transportation	10
7.	Television Relay and Translator	10
8.	Mosquito and Pest Control	11
9.	Security	11
10.	Covenant Enforcement	11
11.	Legal Powers	11
12.	Other	11
13.	Condemnation	12
14.	Subdistrict Limitation	12
15.	Special Assessments	12

III. DESCRIPTION OF PUBLIC IMPROVEMENTS.....	12
A. General.....	13
B. General Design Standards.....	13
1. Wastewater System.....	13
2. Storm Drainage.....	14
3. Potable Water System.....	15
4. Non-Potable Irrigation Water System.....	15
5. Street System and Traffic Safety.....	16
6. Park and Recreation.....	16
C. Services of Districts.....	16
D. Estimated Cost of Public Improvements.....	17
IV. DEVELOPMENT PROJECTIONS.....	17
V. PROPOSED AGREEMENTS.....	17
A. Intergovernmental Agreements Between or Among the Districts.....	17
B. Additional Intergovernmental Agreements and Agreements with Private Entities....	18
VI. OPERATION AND MAINTENANCE COSTS.....	18
VII. FINANCING PLAN.....	18
A. Debt Limitation.....	18
B. Approval of Debt Issuance.....	19
C. Identification of District Revenue.....	20
D. Security for Debt.....	22
E. Filings with City and Quinquennial Review.....	23
F. Other Financial Information.....	23
G. Enterprises.....	24
H. Conservation Trust Fund.....	24

I. Elections; Other Requirements	24
VIII. ANNUAL REPORT	24
A. General.....	24
B. Reporting of Significant Events.....	24
C. Summary of Financial Information	25
IX. CONCLUSIONS	25

LIST OF EXHIBITS

EXHIBIT A-1 – Map of Initial District Boundaries

EXHIBIT A-2 – Map of Future Inclusion Area

EXHIBIT A-3 – Vicinity Map

EXHIBIT B-1 - Legal Descriptions of Initial District Boundaries

EXHIBIT B-2 – Legal Description of Future Inclusion Area

EXHIBIT C -Public Improvements Diagram

EXHIBIT D - Cost Estimates

EXHIBIT E - Financing Plan

EXHIBIT F - Statutory Contents of this Service Plan

EXHIBIT G - Agreement Regarding District Disclosures

EXHIBIT H - Notice of Inclusion in the Kinston Metropolitan District Nos. 1-10 and Possible
Property Tax Consequences

I. INTRODUCTION

A. General Overview.

1. Scope of Service Plan. This consolidated service plan ("Service Plan") for Kinston Metropolitan District Nos. 1 - 10, City of Loveland, Larimer County, Colorado, (the "Districts") constitutes a combined Service Plan for ten (10) special districts proposed for organization to serve the needs of a new development known as Kinston in the City of Loveland, Colorado (the "City") in Larimer County (the "County"). The Districts' boundaries will initially contain approximately 4.59 acres (the "Initial District Boundaries"), and will eventually include approximately 624.781 acres (the "Future Inclusion Area"), for primarily residential development. The "Districts' Boundaries" shall mean the boundaries of the area described in the Initial District Boundaries and the Future Inclusion Area, at such time as the Future Inclusion Area, or any portion thereof, is included within the boundaries of the Districts pursuant to Title 32, Article 1, Part 4, C.R.S.). Construction of public improvements and residential units is anticipated to occur over the next 25 years.

Maps depicting the Initial Districts' Boundaries and Future Inclusion Area are attached hereto and incorporated herein as Exhibit A-1 and Exhibit A-2, respectively, and the legal descriptions of the Initial Districts' Boundaries and Future Inclusion Area are attached hereto and incorporated as Exhibit B-1 and Exhibit B-2, respectively.

Considerable public improvements will be designed, acquired, installed, constructed, financed, operated, and/or maintained to provide the required water, wastewater, streets, and other public improvements needed for the area. The Service Plan addresses the public improvements which will be provided by the Districts and demonstrates how the ten (10) special districts proposed to serve the development will work in tandem to provide the necessary public improvements and services.

The Districts are independent units of local government, separate and distinct from the City. It is intended that the Districts will provide a part or all of the public improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these public improvements. The Districts may also provide ongoing ownership, operations and maintenance of specific public improvements as provided for herein.

2. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (§§ 32-1-201, *et seq.*, C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, the Districts. The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The "Financing Plan" discussed in Section VII refers to a consolidated preliminary financing plan for the Districts which may be used by the Districts for

designing, acquiring, installing, constructing, financing, operating, or maintaining public improvements of the Districts. Kinston Metropolitan District No. 1 shall be referred to as the "Service District," and District No. 2, District No. 3, District No. 4, District No. 5, District No. 6, District No. 7, District No. 8, District No. 9 and District No. 10 shall be referred to as the "Financing Districts." The Service District and the Financing Districts are sometimes collectively referred to as the "Districts" and individually as the "District"; unless the context dictates otherwise, the singular includes the plural, and the plural includes the singular.

The Service District will be responsible for managing the design acquisition, installation, construction, financing, operation, and/or maintenance of public improvements needed for the development until such time as any such public improvements may be required to be conveyed to the City pursuant to Section I.A.7 and Section III of this Service Plan.

The Financing Districts will be responsible for providing the funding needed to support the Financing Plan for capital improvements and for operations dependent on development within the Districts and the ultimate size of the tax base that follows.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and public improvements resulting in a development which will be both an aesthetic and economic asset to the City.

The establishment of Kinston Metropolitan District No. 1 as the Service District, which is anticipated to initially own and operate the public improvements throughout the development, and the establishment of District No. 2, District No. 3, District No. 4, District No. 5, District No. 6, District No. 7, District No. 8, District No. 9 and District No. 10, as the Financing Districts, which will generate the majority of the tax revenue sufficient to pay the costs of the capital public improvements, will create several benefits for the inhabitants of the development, the City and other affected municipalities. In general, those benefits are: (a) coordinated administration of the design, acquisition, installation, construction, financing, operations, and/or maintenance of public improvements, and delivery of those public improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of the Districts through proper management of the financing and operation of public improvements; and (c) assurance that public improvements required by the City are designed, acquired, installed, constructed, financed, operated, and/or maintained in a timely and cost effective manner by which to protect residents, bondholders, and the City from the risk of development. Each of these concepts is addressed in greater detail in the following paragraphs.

3. Benefits of Multiple District Structure.

a. Coordinated Services. As presently planned, development of the property within the Districts will proceed in phases, each of which will require the extension of public services and public improvements. The multiple district structure is intended to better assure that the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of the

Service District as the entity responsible for the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements is designed to facilitate a well-planned financing effort through all phases of construction and to assist in assuring coordinated extension of services.

The multiple district structure also is anticipated to help assure that public improvements and services needed for future build-out of the development will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future public improvements, the Developer (as hereinafter defined) might be influenced to cause public improvements to be completed well before they are needed simply to assure that they can be provided with tax-exempt financing. Appropriate development agreements between the Service District and the Developer will allow the postponement of financing for public improvements which are not needed until well into the future, thereby helping residents avoid the long-term carrying costs associated with financing public improvements before development within the Districts dictates. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Districts and helps avoid disproportionate cost burdens being imposed on the early phases of development.

The property located within District No. 10 and a portion of the Future Inclusion Area is also situated within the boundaries of Centerra Metropolitan District No. 2 ("CMD 2") and Centerra Metropolitan District No. 4 ("CMD 4"). The property located within Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 and a portion of the Future Inclusion Area is also situated within the boundaries of Centerra Metropolitan District No. 3 ("CMD 3," together with CMD 2 and CMD 4, the "Centerra Districts"). The Centerra Districts have adopted resolutions acknowledging the proposed organization of the Districts, which boundaries will overlap with one or more of the Centerra Districts, and consenting to the organization of the Districts and proposed public improvements, facilities, and services to serve the property within the Districts, which proposed public improvements, facilities and services will not duplicate any public improvements, facilities, and services provided by or to be provided by the Centerra Districts.

b. Uniform Mill Levy. Allocation of the responsibility for paying Debt (hereinafter defined) will be managed through development of a unified financing plan for necessary public improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of the multiple district structure, with the Service District managing these functions, is intended to provide for a more reasonable capital improvement schedule and more reasonable long-term operations and maintenance responsibilities. Intergovernmental agreements between and/or among the Districts are anticipated to implement the Financing Plan in a way that yields roughly uniform mill levies throughout the Districts.

c. Bond Interest Rates. The multiple district structure is designed to allow the Districts to coordinate the timing and issuance of Debt in such a way as to help increase assurance that public improvements required by the City are designed, acquired, installed, constructed, and/or financed in conformance with the time and in the manner desired by the City. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates, will benefit residents and taxpayers of the

Districts. Consequently, the multiple district structure is designed to lower risk and allow Debt to be issued to finance public improvements at lower rates than if a single special district is organized.

4. Configuration of Districts. In order to implement the multiple district structure, the boundaries of the Service District and the Financing Districts need to be carefully configured. The Service District will contain approximately 0.459 acres, and the Financing Districts will contain approximately 624.322 acres, upon the inclusion of the Future Inclusion Area. Housing types within Districts Nos. 1-9 are anticipated to include single-family detached residences consisting of 1,211 units, and multi-family residences consisting of up to 1,330 townhomes and condominiums, for approximately 2,541 total units. Approximately 287 additional units are anticipated to be located within District No. 10, which boundaries overlap with the boundaries of CMD 2 and CMD 4 as described in Section I.A.3.a. above. Average prices for single-family detached residences are estimated to range from the low of \$421,100 to greater than \$729,600. The average prices for the townhomes and condominiums are estimated to range from the low \$336,200 to greater than \$467,800. The estimated projected population of the Districts at full build-out is approximately 7,623 persons based up on an assumption of three individuals per unit.

The "service area" (the area legally permitted to be served) for the Districts will consist of the entire area of the development, which may include property both within and without the Initial Districts' Boundaries and Future Inclusion Area. The Districts will have the power to levy taxes as permitted by law but may only levy taxes within their respective legal boundaries.

Except for the property in the Future Inclusion Area, the Districts shall not include within any of its boundaries any property outside the Initial Districts' Boundaries without the prior written consent of the City Council. No additional approval from the City Council shall be required for boundary adjustments which involve property within the Initial Districts' Boundaries and Future Inclusion Area. The Districts' individual boundaries may be adjusted as the Districts deem necessary to account for development pace, infrastructure phasing requirements, and other market conditions; provided, however, without prior written approval of the City Council, no property may be excluded from a District and included into another District where both Districts have issued Debt. In the event the boundaries of any of the Districts overlap, the aggregate mill levy imposition of such overlapping Districts shall not exceed the Total Mill Levy Cap, as defined herein. Such adjustments shall be effected pursuant to §§ 32-1-401 and §§ 32-1-501, *et seq.*, C.R.S. Any inclusion of property outside of the Initial Districts' Boundaries or Future Inclusion Area, without the prior consent of City Council shall be deemed a material modification of the Service Plan.

The property located within the boundaries of CMD 2 and CMD 4 will be excluded from CMD 2 and CMD 4 at such time as it is developed for residential use per City Council Resolution R#98-2009.

5. Long-Term District Plan. At any time after all Debt instruments have been issued by the Districts and adequate provisions have been made for payment of all of the Districts' Debt (including when all of the Districts' Debt has been paid) and adequate provisions have been made for operation of all of the Districts' public improvements, the electorate of the Districts will

have the opportunity to consider either the consolidation of the Service District and one or more of the Financing Districts into a single entity, the consolidation of two or more of the Financing Districts, into a single entity, or the dissolution of the Service District and/or one or more of the Financing Districts in accordance with state law. At any time after a District's Debt obligations have been fully discharged and so long as such District has no ongoing operations or maintenance obligations, the City may file an application with the any of the Districts' boards of directors pursuant to § 32-1-701(3), C.R.S., and the applicable 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, and the board of directors of the District and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the District shall thereupon dissolve. In the event no District has issued Debt within 5 years from the earlier of December 31, 2019 or the date the orders and decrees organizing the Districts were recorded in the Larimer County Clerk and Recorder's office, the Districts shall provide an update to City Council on the status of the Districts, including the completion of public improvements to serve the Districts and plans for the issuance of Debt, and upon review, the City Council may either require the Districts to submit an amendment to the Service Plan to reflect the status of public improvements and issuance of Debt as well as any other revisions determined necessary by the City Council, or the City Council may require the Districts to initiate dissolution proceedings, as evidenced by a resolution after a public hearing thereon. In the absence of such City Council consent, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the boards of directors of the Districts and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve.

6. City Policy. Notwithstanding anything contained herein to the contrary, the Districts 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").

7. Dedication of Public Improvements. The Districts shall, in accordance with City Policy, dedicate, or cause to be dedicated on their behalf, all public improvements customarily dedicated to the City. These public improvements include, but are not limited to: public water and wastewater improvements, all public streets and those streets dedicated by plat, public storm drainage and detention improvements, all public sidewalks, as well as all rights-of-way and easements necessary for access to public improvements. Public 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 Districts shall own and maintain or cause to be maintained all neighborhood parks, all recreational public improvements, and any potable or non-potable irrigation systems. However, in accordance with City Policy, and upon agreement by the City and the District(s), the City may accept, but shall not be required to accept, dedication of neighborhood parks, open space, recreational public 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 Districts.

Operations and maintenance of those public improvements dedicated to the City in accordance with City Policy shall rest with the City. However, the Districts shall maintain all landscaping in the public rights-of-way unless such obligation is expressly accepted by the City. In the event the Districts construct or install enhanced amenities which exceed City standards, the City and the Districts shall agree as to the operation and maintenance of such enhanced amenities prior to the City's acceptance of any such public improvements. All park and recreation and landscaping public improvements, including waterways and associated landscaping not dedicated to and accepted by the City, shall be owned, operated, and maintained by the Districts, 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 Districts shall retain such easements as are necessary to operate and maintain landscaping and related public improvements associated with such storm drainage and detention areas. The Districts 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 Districts may, at their sole cost and expense, acquire all property required by the City for the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements to be provided by the Districts pursuant to this Service Plan. The Districts may acquire any interests in property, leases, and easements necessary to the functions or the operation of the Districts, except that the Districts 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 Districts' use in accordance with any governmental ordinance, regulation, or law and in accordance with City Policy. Accordingly, the Districts shall not purchase from the Developer any interest in real property that is customarily dedicated by developers to the City at no cost to the City and 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 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 Districts at the completion of the applicable warranty period. The City shall not unreasonably withhold or delay Final Acceptance of District public improvements, provided that such public improvements are in conformance with City Policy. At the City's discretion, dedication of public improvements may take place after the expiration of the applicable warranty period.

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

8. Existing Services and Districts. There are currently no other entities in existence in the areas of the proposed development which have the ability and desire to undertake the design, financing, construction, operation, and/or maintenance of the public improvements which are needed for the development. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide the necessary services and public improvements for the development, as further described herein. Consequently, use of the Districts 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 Districts intend to utilize existing entities, to the extent possible for operations and maintenance of public improvements. Consequently, while the Districts will finance capital public improvements and coordinate the provision of services, the Districts are expected to utilize existing entities and personnel as much as possible. Double taxation can be avoided by the Districts undertaking the necessary capital financing with Debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. As described above, public improvements, including sanitary sewer and water improvements (other than potable or non-potable irrigation systems), storm drainage, streets, and traffic safety and signalization improvements, will be conveyed to the City by the Districts and subsequent operations and maintenance of these public improvements shall rest with the City. Park and recreation public improvements may be conveyed to the City or may be owned, operated, and maintained by the Districts, as described in greater detail above. The timing for conveyance of the public improvements will be developed by mutual agreement of the District(s) and the appropriate party as generally described above and in Section V hereof.

9. Property Owners Associations. Certain services may be provided within the Districts by one or more property owners associations expected to be organized as Colorado non-profit organizations comprised of all or a portion of the property owners in the Districts. The associations may provide architectural control services, community organizations, community events and activities, community marketing, animal control, security, recreational amenity maintenance, common area maintenance, and other programs which may be beyond the scope or financial capacity of the Districts. The District(s), as further provided in Section II.B.10, also have the power and authority, but not the obligation, to provide covenant enforcement and design review services.

B. General Financial Information and Assumptions.

The 2018 certified assessed valuation of all taxable property within the boundaries of the Districts was approximately \$163. The initial assessed valuation of property within the Service District is approximately \$17, and the initial combined assessed valuation within the Financing Districts is approximately \$146. At build-out, in 2045, the total combined assessed valuation within the Financing Districts is estimated to be approximately \$148,584,875.

The anticipated cost of public improvements necessary to provide access to and appropriate services within the Districts is estimated in Exhibit D. As shown in Exhibit D, the total cost of the estimated public improvements is \$145,413,782. Costs are shown for each category of public improvements anticipated to be constructed. The Districts may obtain financing for the capital

public improvements needed for the development through the issuance of Debt instruments by the Districts. General obligation Debt will be payable from revenues derived from ad valorem property taxes and from other legally available sources. At the time Debt instruments are proposed to be issued, alternative financing plans may be employed and utilized by the Districts 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 public improvements described herein can be defrayed with the imposition of reasonable mill levies based on anticipated development within the Districts. The figures contained herein depicting costs of public improvements and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue Debt which is not in compliance with the bond registration and issuance requirements of state law.

C. Contents of Service Plan.

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the public improvements and services for the Districts can be provided and financed by the Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F 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 Districts, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates were assembled by Merrick & Company, which has experience in the costing and construction of similar public improvements. Legal advice in the preparation of this Service Plan was provided by Icenogle Seaver Pogue, P.C., which represents numerous special districts. Preparation of the Financing Plan was provided by D.A. Davidson Companies. The proponents of the Districts are Centerra Properties West, LLC, McWhinney Real Estate Services, Inc., and ZIMCPW, LLC (the "Proponents"). As of the date of submission of this Service Plan, the Proponents are the owners of the real property located within the Initial Districts' Boundaries and Future Inclusion Area. For purposes of this Service Plan, the term "Developer" shall mean Centerra East Development, Inc., which will be subdividing, marketing, developing and investing in the property located within the Initial Districts' Boundaries and Future Inclusion Area.

D. Modification of Service Plan.

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and public improvements 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 Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and public improvements without the need to amend this Service Plan as zoning changes. Modification of the general types of services and public improvements, and changes in proposed configurations, locations, or dimensions of various public improvements shall be permitted to accommodate

development needs consistent with then-current zoning for the property and consistent with City Policy.

II. NEED FOR NEW DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts

The property within the Initial Districts' Boundaries and Future Inclusion Area currently is undeveloped. There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the public improvements needed for the Districts. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. Formation of the Districts is therefore necessary in order for the public improvements required for development to be provided in the most economical manner possible.

B. General Powers of Districts

The Districts shall have the power and authority, but not the obligation, to provide the services and public improvements listed below, both within and outside the Districts' Boundaries in accordance with state law, all of which shall be in conformance with City Policy and/or the standards and specifications of other entities which may operate and maintain the completed public improvements. In accordance with City Policy, the Districts will obtain City approval of civil engineering plans and a permit from the City for construction and installation of all public improvements.

1. Sanitation and Storm Drainage. The Districts shall have the power and authority, but not the obligation, 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, underdrains, culverts, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curbs and gutters, 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 public improvements. The Districts shall not design, acquire, install, construct, finance, operate, or maintain any sewer treatment or disposal works or facilities.

2. Water. The Districts shall have the power and authority, but not the obligation, 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, together with extensions of and improvements to said systems. The Districts shall not design, acquire,

install, construct, finance, operate, or maintain any water well, water treatment, or water storage works or facilities for use as part of a domestic potable water system without prior consent of the City Council; however, nothing in this Section shall be interpreted to limit the Districts' power and authority to acquire water rights and water supply for any potable or non-potable water system.

3. Streets. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of street and roadway improvements, including, but not limited to, curbs, gutters, culverts, storm sewers and other drainage facilities, acceleration and deceleration lanes, detention ponds, retaining walls and appurtenances, as well as sidewalks, bike paths and pedestrian ways, bridges, median islands, parking facilities, paving, lighting, grading, landscaping and irrigation, 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 public improvements.

4. Traffic and Safety Controls. The Districts shall have the power and authority, but not the obligation, 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, highways, collector streets, local streets, and all other public streets and roadways as well as other public improvements, including, but not limited to, 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 public improvements.

5. Parks and Recreation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs, including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, parks, bike and hiking trails, pedestrian trails, pedestrian bridges, open space, picnic areas, swimming pools, basketball courts, fitness centers, resident clubhouse facilities, volleyball courts, common area landscaping and weed control, outdoor lighting of all types, community events, cultural activities, water bodies, irrigation facilities, and other active and passive recreational facilities, programs, and events, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

6. Transportation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public transportation system improvements, including, but not limited to, transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and 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 public improvements.

7. Television Relay and Translator. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, construction, completion,

installation, financing, 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 public improvements.

8. Mosquito and Pest Control. The Districts shall have the power and authority, but not the obligation, to provide for the eradication and control of mosquitoes, rodents, and other pests, including, but not limited to, the elimination or treatment of breeding grounds and purchasing, leasing, contracting, or otherwise using equipment or supplies for mosquito and pest control.

9. Security. The Districts shall have the power and authority, but not the obligation, to furnish security services for any area within the Districts' Boundaries. Prior to furnishing any security services, the Districts 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 Districts' Boundaries.

10. Covenant Enforcement. The Districts shall have the power and authority, but not the obligation, to provide covenant enforcement and design review services within the Districts if the Districts 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 Districts name the Districts as the enforcement or design review entity. The Districts 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.

11. Legal Powers. The powers and authorities of the Districts can be exercised by their respective boards of directors to the extent necessary to provide the public improvements and services contemplated in this Service Plan upon determination by the respective boards of directors that such public improvements and services are needed and in the best interests of the applicable District. The foregoing public improvements and services, along with all other activities permitted by law, if determined to be in the best interests of the respective Districts by their respective boards of directors, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, 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 boards of directors of the Districts 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. Each District shall have the right to amend this Service Plan independent of participation of the other Districts, provided that a District shall not be permitted to amend those portions of this

Service Plan which affect, impair, or impinge upon the rights or powers of another District without such other District's consent. In the event a modification or amendment to this Service Plan is required or requested, or the City is required or is requested by the Proponents and/or the Districts to act to implement any aspect of the Service Plan then the Proponents and/or the Districts shall be obligated to pay for all costs incurred by the City in engaging consultants to review documents related to such modification, amendment or act, including the engagement of legal and financial consultants; and

b. To forego, reschedule, or restructure the design, acquisition, installation, construction, financing, operation, or maintenance of certain public improvements in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the public improvements would best be performed by another entity; and

c. Except as otherwise limited herein, to exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the boards of directors of the respective Districts 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, each District shall not exercise its statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of such District's portion of the Districts' Boundaries, including any property owned by the City. Additional approval from the City Council shall not be required prior to any District's exercise of its statutory power of eminent domain or dominant eminent domain with respect to property within such District's portion of the Districts' Boundaries; provided, however, that such District shall not exercise its statutory power of dominant eminent domain to condemn property owned by the City, and located within such Districts' portion of the Districts' Boundaries, without the prior written consent of the City Council.

14. Subdistrict Limitation. Absent the prior written approval of the City Council, the Districts shall not divide into one or more subdistricts pursuant to Section 32-1-1101(1)(f), C.R.S.

15. Special Assessments. Absent the prior written approval of the City Council, the Districts may not establish any special improvement districts pursuant to Section 32-1-1101.7, C.R.S., nor shall the Districts levy any special assessments pursuant to Section 32-1-1101(1)(g), C.R.S.

III. DESCRIPTION OF PUBLIC IMPROVEMENTS

The Service District and the Financing Districts will be permitted to exercise their statutory powers and their respective authorities as set forth herein to design, acquire, install, construct, finance, operate, and maintain the public improvements described in Section II of this Service Plan either directly or by contract. A depiction of the public improvements anticipated to be provided by the Districts is set forth in Exhibit C, attached hereto and incorporated herein by this reference.

Where appropriate, the Districts may contract with various public and/or private entities to undertake such functions. The Districts also may petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area. There are currently no other entities within the boundaries of the proposed Districts providing the following services, nor shall the services provided by the Districts duplicate or interfere with those services provided by the City. Public 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 public improvement needed for the Districts is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section and in Exhibit C, are conceptual in nature only and that modifications to the type, configuration, and location of public improvements will be necessary as development proceeds. All public improvements will be designed in such a way as to assure that the public improvement 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 Districts will provide letters of credit or other surety required by City Policy to the City to provide security for public improvements to be constructed by the Districts.

The following Sections contain general descriptions of the contemplated public improvements which will be financed by the Districts.

A. General

The design, acquisition, installation, construction, financing, operation, or maintenance of all planned public improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific public improvements to be designed, acquired, installed, constructed, financed, operated, or maintained, 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, many of the public improvements permitted to be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts are anticipated to be necessary in the initial years of development.

B. General Design Standards

Any public improvements determined by the respective Districts' boards of directors to be designed, acquired, installed, constructed, financed, operated, or maintained by the District(s) and that are within the municipal boundaries of the City, including without limitation, those specifically listed herein, must be designed and installed by the District(s) in conformance with current standards adopted by the District(s) and in accordance with City Policy. The intergovernmental agreements discussed in Section V hereof describe the procedures which will be followed to assure compliance with the requirements of this Service Plan.

1. Wastewater System. The Districts have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing,

operation, and maintenance of sanitary sewer lines, and any sanitary sewer lines constructed by the Districts will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, City Policy, the rules and regulations adopted by the Districts or other affected municipalities, and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation may be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts. Operations and maintenance of any wastewater facilities constructed by the Districts will be provided by the Districts until such facilities are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

2. Storm Drainage

a. Generally. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of underdrains, culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curbs and gutters designed and installed in accordance with City Policy and sound engineering judgment. The Districts are authorized to design, acquire, install, construct, finance, operate, and/or maintain all public storm drainage improvements as needed to serve the property within the Districts. Specific public drainage improvements within individual development parcels may ultimately be designed, acquired, installed, constructed, financed, operated, and/or maintained by individual developers and/or builders as specified by future approved development plans.

All major public storm drainage improvements ultimately constructed by the Districts must be designed to conform to the standards and recommendations for public storm drainage improvements pursuant to City Policy, the rules and regulations of the Districts, and standards of other affected jurisdictions.

b. Culverts. Culverts, if required by City policy, 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.

For any public storm drainage improvement constructed by the Districts, an overall drainage plan will be developed that will identify the major public improvements necessary to convey the storm runoff from the Districts. This plan will include all public improvements required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage public improvements 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 Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a complete potable water system subject to the limitations in Section II.B.2 above. 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 Future Inclusion Area. Pursuant to Section II.B.2, the District has the power and authority, but not the obligation, to acquire water rights and water supply. When design, acquisition, installation, construction, and/or financing are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities ultimately constructed by the Districts will be designed and installed in accordance with City Policy. Operations and maintenance of all water facilities ultimately constructed by the Districts will be provided by the District(s) until such public improvements are dedicated to the City 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. Any water system components constructed by the Districts will be constructed and installed in accordance with City Policy and applicable standards of all entities with jurisdiction over the Districts. The water system will also be designed based on applicable fire protection requirements.

4. Non-Potable Irrigation Water System.

a. District Authority. The Districts have the power and authority, but not the obligation, to provide for the design, financing, acquisition, installation, operation, construction, operation, and maintenance of a non-potable irrigation water 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 public improvements within and without the boundaries of the Districts.

b. Overall Plan. The Districts may, in the discretion of their respective boards 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 Districts have not included in the Financing Plan the provision of a non-potable irrigation water system, and the Districts 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 Districts to service the greenbelts, open spaces, landscaping, parks, and common areas within the Districts. In addition, the Districts may choose to design, acquire, install, construct, finance, operate, or maintain a non-potable irrigation water system designed to serve individual units and users within the development. If a non-potable irrigation water system is provided, the Districts shall have the right to purchase any and all water rights and water supply necessary for proper operation of the system from the Developer or any other entity or individual as the Districts deem appropriate.

5. Street System and Traffic Safety

a. General. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a street and roadway system to serve the development. Any existing and proposed elements of the street system will provide a network of arterial streets, collector streets, local streets, and other public streets and roadways to serve the flow of traffic within the Districts. Any facilities, traffic controls, signals, and signage constructed by the Districts will be designed and installed in accordance with City Policy and sound engineering judgment.

b. Streets. Any arterial streets, collector streets, local streets, and other public streets and roadways designed, acquired, installed, constructed, financed, operated, or maintained by the Districts 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 Districts.

Traffic controls and signage may be provided along arterial streets, collector streets, local streets, and other public streets and roadways to enhance the flow of traffic within the project. Streetlights may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts along all public streets and roadways.

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

d. Signals and Signage. Signals and signage may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts as required by traffic studies, the Districts' rules and regulations, City Policy, and the Colorado Department of Transportation, if applicable. Additional signage may be installed as needed to accommodate development.

6. Park and Recreation. The Districts have the power and authority, but not the obligation to, provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs. Any park and recreational public improvements and/or services that the Districts determine to undertake must be constructed in accordance with plans and specifications approved by the City. All park and recreational public improvements ultimately constructed by the Districts 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, and per approved plans.

C. Services of Districts

The Districts will require operating funds to plan and cause the public improvements authorized herein to be completed. Such costs are expected to include

reimbursement of organizational, legal, engineering, accounting, and Debt issuance costs, and costs related to compliance with state reporting and other administrative requirements. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of Debt issues, and related matters is attached as Exhibit E. Operating costs may increase depending upon the final design of the public improvements and the entity designated responsible for operations and maintenance of the public improvements 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 Districts. Organizational costs and capital costs expended for public improvements prior to the date of organization, if any, may be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds. The Districts may acquire completed public improvements from the Developer with Debt proceeds. Certain public improvements may be required to be conveyed by the Districts to the City. Alternatively, the Developer may dedicate certain public improvements directly to the City, with reimbursement to the Developer to come from the Districts. The Districts' first year's collective operating budget is estimated to be approximately \$100,000.

As discussed herein, it is anticipated that the Districts will enter into one or more intergovernmental agreements which are expected to provide for the obligation of the Financing Districts to pay the Service District for operating and maintenance expenses incurred for the provision of services. The District(s) shall be permitted to borrow its initial operations and maintenance funds from private entities until such time as it is able to generate operating revenues from the Districts.

D. Estimated Costs of Public Improvements

The estimated cost of the public improvements to be designed, acquired, installed, constructed, and/or financed by the Districts are shown in Exhibit D 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

The Developer is targeting several prominent home-builders as candidates to purchase individual parcels within the Initial Districts' boundaries and Future Inclusion Area. The absorption rates for the development are incorporated into the Financing Plan attached hereto.

V. PROPOSED AGREEMENTS

A. Intergovernmental Agreements Between and Among the Districts

As noted in this Service Plan, one or more intergovernmental agreements are expected to be entered into between and/or among the Districts which are designed to ensure that the public improvements described within this Service Plan are designed, acquired, installed, constructed, financed, operated, and/or maintained in the manner and at the time contemplated herein. The relationship between the Service District and the Financing Districts, including the

means for designing, acquiring, installing, constructing, financing, operating, and/or maintaining the public improvements and services needed to serve the development, will be established by means of these intergovernmental agreements. The intergovernmental agreements contemplated herein will establish procedures and standards for the approval of the design of public improvements, transfer of funds between the Districts, and operation and maintenance of the public improvements. These intergovernmental agreements will also provide for coordinated administration of management services for the Districts.

B. Additional Intergovernmental Agreements and Agreements with Private Entity

To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision and effective management of the public improvements and services. Agreements may also be executed with property owners associations and other service providers. Any additional intergovernmental agreements are authorized pursuant to Colorado Constitution, Article XIV, § 18 (2)(a) and § 29-1-201, *et seq.*, C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan at Exhibit E.

VII. FINANCING PLAN

The Financing Plan demonstrates one method that might be used by the Districts to finance the cost of public improvements. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of public improvements 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.

A. Debt Limitation

To enable the Districts to design, acquire, install, construct, finance, operate, and/or maintain the public improvements contemplated by this Service Plan, it is anticipated that the Districts will incur Debt. For purposes of this Service Plan, "Debt" shall be defined to mean principal on general obligation or revenue bonds, notes, contracts, agreements, certificates of indebtedness, interim certificates or receipts, other multiple fiscal year obligations, including, but not limited to, loans from financial institutions, or other documents or instruments evidencing loans or advances to the Districts. The maximum amount of Debt which may be incurred by the Districts collectively shall be \$170,000,000, in 2019 dollars, as adjusted based on the Engineering News-Record's Denver Builder Cost Index ("Debt Limit"). Debt shall be permitted to be issued on a schedule and in such year or years as the Districts' boards determines shall meet the needs of the Financing Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all taxable property within the Districts. The Debt that the Districts may issue for public improvements is supported by the Financing Plan prepared by D.A. Davidson Companies, attached hereto as Exhibit E. The

Financing Plan sets forth reasonably estimated projections regarding issuance of Debt and such projections shall not serve as limitations on the issuance of Debt except as otherwise expressly set forth in this Service Plan.

The Debt Limit may only be increased with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance of Debt in violation of this provision shall be deemed to be a material modification of the Service Plan.

Debt may be restructured to accomplish a refunding or reissuance, provided the principal amount of Debt does not exceed the Debt Limit set forth above. So as to avoid the "double-counting" of any Debt, any refunded Debt shall not count against the Debt Limit, but all Debt issued for the purpose of refunding existing Debt shall count against the Debt Limit.

B. Approval of Debt Issuance

It is currently anticipated that the Financing Districts will issue Debt in amounts sufficient to permit the Service District to construct all or a portion of the needed public improvements. Alternatively, the Service District may issue revenue bonds with repayment to come from the ad valorem taxes collected by the Finance Districts, and/or any other legally available source, to permit construction of the needed public improvements. The timing of issuance of Debt may be adjusted from time to time to meet development requirements. Despite the amount of Debt authorization voted by the Districts' electorate, the Debt Limit serves as the ultimate cap for the Debt the Districts shall incur. At least seven days prior to the issuance of any Debt, the Districts must provide the City Attorney with an opinion prepared by nationally recognized bond counsel evidencing that the Districts have complied with all Service Plan requirements relating to such Debt. Each Debt instrument issued by the Districts including, but not limited to, each issuance of bonds, loans and other multiple fiscal year obligations and each refunding of any Debt instrument, and each Debt instrument evidencing the Districts' repayment obligations to the Developer for advances made to the Districts and each refunding thereof, shall provide that the Districts' obligations thereunder shall be discharged 40 years after the date such Debt is issued or such obligation is entered into regardless of whether the obligations are paid in full. In addition, all Debt instruments for capital improvements, regardless of form, evidencing any repayment obligations to the Developer entered into by any of the Districts shall accrue simple interest at a fixed rate not to exceed the prime interest rate (as reported on the date of issuance by *The Wall Street Journal*) plus 3% ("Total Interest Rate") up to a maximum Total Interest Rate of 8.5%. Advances from the Developer to the Districts for operations and maintenance expenses shall not accrue interest and repayment of the same shall be subject to annual appropriations by the Districts' Boards of Directors. Regardless of the date of issuance or any refinancing, the Debt of each particular District must be repaid within 45 years of the date Debt is first issued by that particular District and any obligations outstanding after such date will be extinguished. Notwithstanding the foregoing, this 45-year Debt discharge and extinguishment date may be extended for a District upon approval by a majority of the board of directors of such District, at such time as a majority of the directors on the respective board of directors are End Users, as that term is defined below, and where the majority of End Users on the respective board of directors approve of such extension; any other extension of this 45-year Debt discharge and extinguishment date shall be considered a material modification of the Service Plan. An "End User" shall mean any resident of

the applicable District or any owner of taxable property within the applicable District who holds title to such property in his or her individual capacity and is an “eligible elector” of the applicable District, as that term is defined in § 32-1-103(5), C.R.S. End Users shall specifically exclude any entity that constructs homes or commercial structures with the intention of selling to others.

Excluding any refunding of Debt, any single District shall not issue any Debt after ten (10) years from the first date property located within the Future Inclusion Area is included to said District; however, in no case shall any Debt be issued by any District after December 31, 2054, except with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed a material modification of the Service Plan. The City Council may approve the issuance of Debt after such time for valid purposes including, without limitation, Debt refinancing or financing of later-constructed improvements. Notwithstanding the foregoing, this 10-year Debt issuance limit and the December 31, 2054 deadline may be extended for a District upon approval by a majority of the board of directors of such District, at such time as a majority of the directors on the respective board of directors are End Users and where the majority of End Users on the respective board of directors approve of such extension.

In addition to the foregoing, no District shall be authorized to issue Debt until: (1) the Districts or Proponents have reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of this Service Plan and formation of the Districts; (2) the owners of property in the Districts, including the Future Inclusion Area, execute an Agreement Regarding District Disclosures with the City, in the form attached hereto as Exhibit G and incorporated herein by this reference, and records such agreement with the Larimer County Clerk and Recorder’s Office, which agreement shall require the provision of a General Disclosure and Common Questions Regarding Kinston Metropolitan District Nos. 1-10 to all prospective purchasers of residential units in the Districts prior to any such purchaser entering into a contract to purchase a residential unit, and (3) the Districts have recorded with the Larimer County Clerk and Recorder’s Office a separate Notice of Inclusion in the Kinston Metropolitan District Nos. 1-10 and Possible Property Tax Consequences that identifies the existence and effect of the District (the “Notice”), in the form attached hereto as Exhibit H and incorporated herein by this reference. In addition to any other annual notice provided by the respective board of directors, the District shall also comply with the notice requirements of § 32-1-809, C.R.S., by maintaining an official District website (providing a link to the District’s website on the official website of the Division of Local Government) and posting such notice on the District’s website. This website posting requirement shall become effective in the year following such time as 350 certificates of occupancy have been issued for residential units within the Districts’ Boundaries.

C. Identification of District Revenue

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

1. The maximum mill levy each District may impose, for the payment of principal of and interest on Debt shall be 62 mills (the “Debt Mill Levy Cap”). Each District also

may impose a mill levy to defray operations and maintenance expenses for each District, provided that such levy shall not exceed 25 mills (the "O&M Mill Levy Cap"). In no event shall proceeds of the operations and maintenance mill levy of any District be used to reimburse the Developer for advances made by the Developer for capital expenses. The total mill levy imposed by each District shall not exceed 77 mills (the "Total Mill Levy Cap").

Property within District No. 10 is currently subject to a debt service mill levy imposed by CMD 2 (the "CMD 2 Mill Levy"), and also is subject to any mill levy to be imposed by CMD 4 (the "CMD 4 Mill Levy"). Upon exclusion of the property in District No. 10 from CMD 2 and CMD 4 as described above, the property within District No. 10 will remain subject to the CMD 2 Mill Levy and the CMD 4 Mill Levy, if any. Until such time as the property within District No. 10 pays its proportionate share of indebtedness owed by CMD 2, the maximum mill levy District No. 10 may impose for the payment of principal of and interest on Debt shall not exceed 62 mills less the CMD 2 Mill Levy and CMD 4 Mill Levy if any, and the maximum mill levy District No. 10 may impose for the payment of principal of and interest on Debt and to defray operations and maintenance expenses combined shall not exceed 77 mills less the CMD 2 Mill Levy and CMD 4 Mill Levy, if any ("District No. 10 Mill Levy Caps"). At such time as the property located within District No. 10 is no longer subject to the CMD 2 Mill Levy and the CMD 4 Mill Levy, if any, the maximum mill levy District No. 10 may impose for the payment of principal of and interest on Debt shall not exceed the Debt Mill Levy Cap, the maximum mill levy District No. 10 may impose to defray operations and maintenance expenses shall not exceed the O&M Mill Levy Cap, and the total combined mill levy imposed by the District shall not exceed the Total Mill Levy Cap. The Debt Mill Levy Cap, O&M Mill Levy Cap, Total Mill Levy Cap and District No. 10 Mill Levy Caps 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 Debt Mill Levy Cap, O&M Mill Levy Cap, Total Mill Levy Cap and District No. 10 Mill Levy Caps shall be automatically adjusted so that the collective tax liability of property owners within the Districts neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Districts and overall tax payments from property owners. The Districts 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 Debt Mill Levy Cap, O&M Mill Levy Cap, Total Mill Levy Cap and District No. 10 Mill Levy Caps shall not be increased unless first approved by the City Council and as permitted by statute. Any such increase shall be considered a material modification of the Service Plan.

2. Any Debt issued by the Districts must be issued in compliance with the requirements of § 32-1-1101(6), C.R.S., as amended. The Districts anticipate 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 2(a)(15) and 4(a)(2) of the Federal Securities Act of 1933 or to a "developer" in accordance with the provisions of the Securities Commissioner of Colorado's Interpretative Order No. 06-IN-001. This will ensure that appropriate development risk associated with current and future development within the development remains with the Developer until such time as the assessed valuation within the Districts is sufficient to support the Debt service requirements of the Districts with the imposition of the maximum allowable Total Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative

requirements of the Districts will be provided by the Developer in the form of advances in exchange for bonds or for promissory notes, short-term reimbursement agreements, or other acceptable agreements, which will provide for repayment to the Developer from Debt proceeds or other legally available sources of revenue, and the refinancing of the same shall not require prior City approval.

3. In addition to revenues from the Districts' mill levies and revenues described in Section VII.C.4 below, the Districts may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City or other entities, and any other legally permissible sources. Revenues from these additional sources, including, but not limited to specific ownership taxes, may be used for operations and maintenance expenses, pledged to the payment of Debt or a combination of the two, as determined by the Districts.

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

a. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed 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 Districts' purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts' engineer less the amount of the reimbursement received by the Developer; or

b. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed 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 Districts' purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts' engineer, and the Developer shall immediately assign to the Districts any and all rights to reimbursement from the City for said public improvements.

c. The District shall have the power and authority, but not the obligation, to impose fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Districts as authorized by § 32-1-1001(1)(j), C.R.S.

The Districts shall have the authority to use all available revenues authorized by the Service Plan in any legally permissible manner.

D. Security for Debt

The Districts shall not pledge any revenue or property or other assets of the City as security for the indebtedness described and contemplated herein.

E. Filings with City and Quinquennial Review

Pursuant to § 32-1-1101.5, C.R.S., and at the City's request, the Districts shall submit an application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the Districts' 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 boards of the Districts to issue any remaining authorized general obligation debt shall be made at that time. At the City's sole discretion, the Districts 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 Section VII is preliminary in nature. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for Debt issuances. All construction cost estimates assume construction to applicable local, state, and/or federal requirements.

In accordance with Section VII.C.4 above, 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 Districts 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. The Districts shall not be required to obtain any additional City Council approval prior to assessing any fees, rates, tolls, penalties, or charges authorized pursuant to § 32-1-1001(1)(j), C.R.S., as the same may be amended from time to time.

The estimated costs of the public improvements permitted to be designed, acquired, installed, constructed, and/or financed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the public improvements to be designed, acquired, installed, constructed, and/or financed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on Debt shall be 18%. The proposed maximum underwriting discount shall be 5%. The Districts' Debt, when issued, shall also be subject to the limits of Section VII.B. hereof regarding final maturity.

The estimated costs of the organization of the Districts, including legal, engineering, administrative, and financial services, are expected to be approximately \$150,000. Organizational costs will be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under Colorado Constitution, Article X, § 20 ("TABOR"). To the extent annual District revenues exceed expenditures in this manner, the Districts 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 Districts, as well as mill levies, will be established by elections which satisfy TABOR requirements.

G. Enterprises

The Districts' boards of directors may not set up enterprises to manage, fund, or operate such public improvements, services, or programs as may qualify for enterprise status using the procedures and criteria provided by TABOR without the prior written consent of the City. To the extent provided by law, any enterprise created by the Districts will remain under the control of the boards of directors of the Districts. Additionally, the Districts and the boards may not establish 63-20 corporations without the prior written consent of the City.

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.

I. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended), including the Local Government Election Code and TABOR. The election questions may include TABOR ballot issues and questions as well as any other topics authorized by law.

Ballot issues may be consolidated as approved in court orders. Future elections to comply with TABOR are anticipated and may be held as determined by the elected boards of directors of the Districts.

VIII. ANNUAL REPORT

A. General

The Districts shall be responsible for submitting an annual report to the City not later than March 1 of each calendar year that the Districts are in existence.

B. Reporting of Significant Events

The annual report required by this Section VIII shall include information as to any of the following events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Copies of all intergovernmental agreements entered into or proposed to be entered into, including amendments.
- (3) Changes or proposed changes in the Districts' policies.
- (4) Changes or proposed changes in the Districts' operations.
- (5) Any changes in the financial status of the Districts, including revenue projections or operating costs.
- (6) A summary of any litigation involving the Districts.

- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Construction contracts entered into.
- (9) Status of the Districts' public improvement construction schedule.
- (10) A list of all public improvements constructed by the Districts that have been dedicated to and accepted by the City.
- (11) If requested by the City, copies of minutes of all meetings of the Districts' boards of directors.

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 Districts' Boundaries.
- (2) Total acreage of property within the Districts' Boundaries.
- (3) Audited financial statements of the Districts, to the extent audit financial statements are required by state law.
- (4) Annual budget of the Districts.
- (5) Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.
- (6) The Districts' Debt (stated separately for each class of Debt).
- (7) The Districts' Debt service (stated separately for each class of Debt).
- (8) The Districts' tax revenue.
- (9) Other revenues of the Districts.
- (10) The Districts' public improvements expenditures.
- (11) Other expenditures of the Districts.

IX. CONCLUSIONS

It is submitted that this Consolidated Service Plan for Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, as required by § 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within their boundaries;
4. The area included in the Districts 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 Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

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

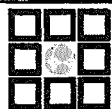
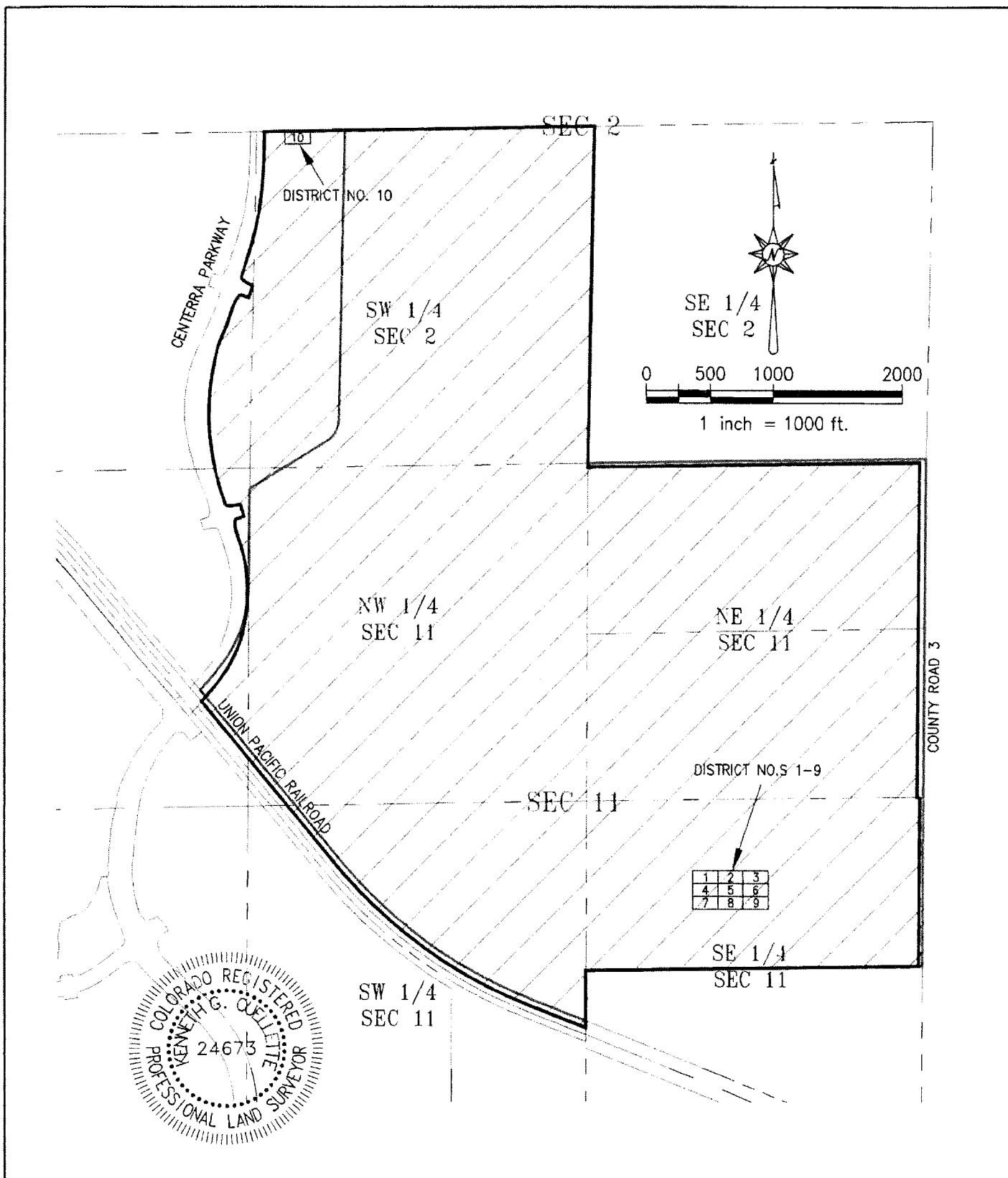
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

9. The creation of the Districts is in the best interests of the area proposed 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 approving this "Consolidated Service Plan for Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10" as submitted.

Respectfully submitted,
ICENOGLE SEAVER POGUE, P.C.

EXHIBIT A-1
Maps of Districts



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
 Telephone: 303-751-0741

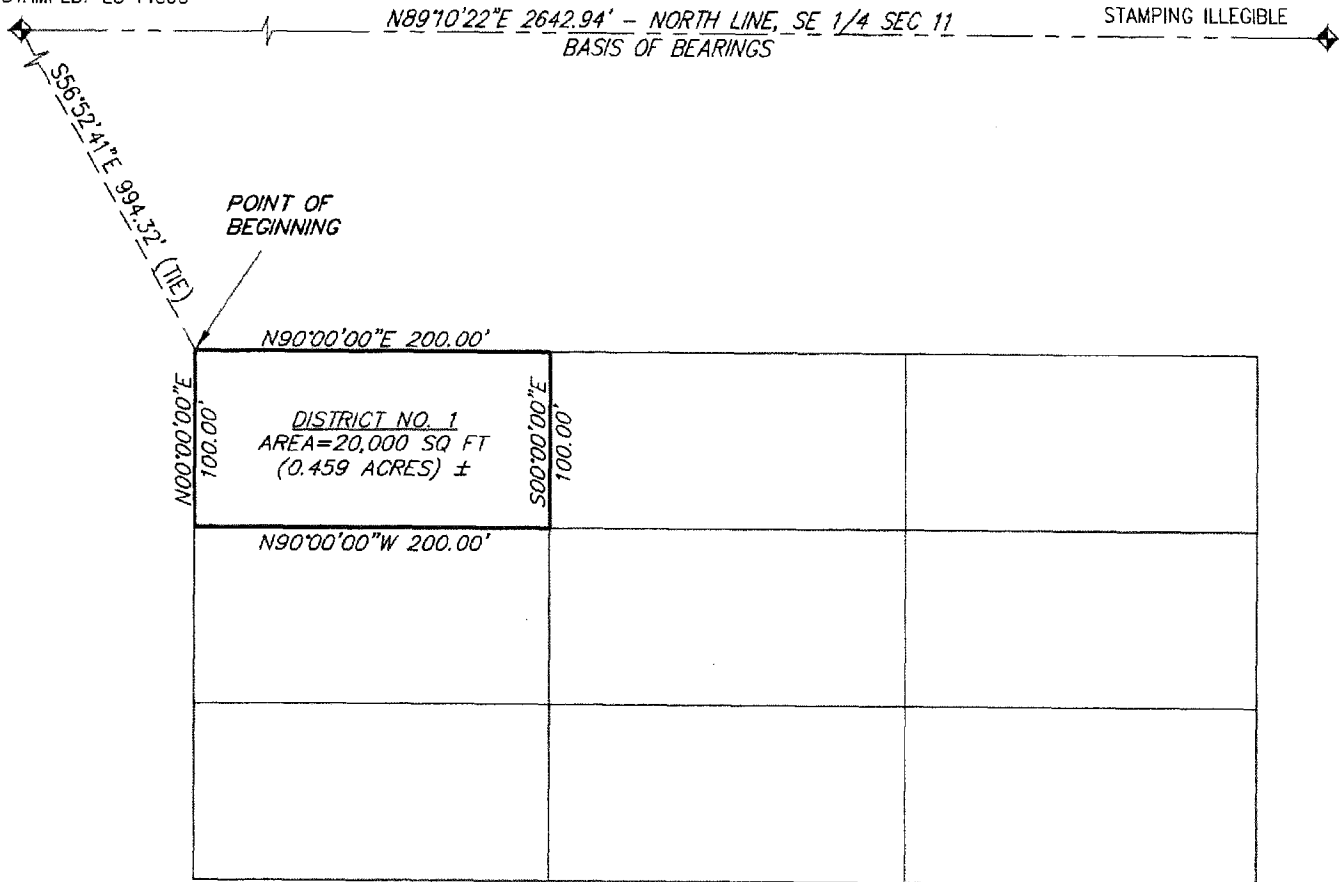
KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11

POINT OF COMMENCEMENT
 C 1/4 COR SEC 11
 T5N, R68W, 6th PM
 2-1/2" ALUMINUM CAP
 DOWN 1.1' BELOW SURFACE
 STAMPED: LS 14863

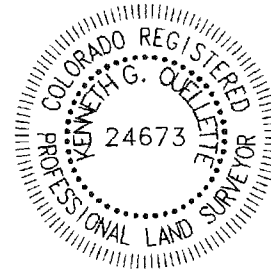
E 1/4 COR SEC 11
 T5N, R68W, 6th PM
 FOUND #6 REBAR WITH
 3-1/4" ALUMINUM CAP
 DOWN 2.0' BELOW SURFACE
 STAMPING ILLEGIBLE



SE 1/4, SEC 11
 T5N, R68W, 6TH P.M.



0 50 100 200
 1 inch = 100 ft.



MERRICK

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
 Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 1

DATE: 8/5/19

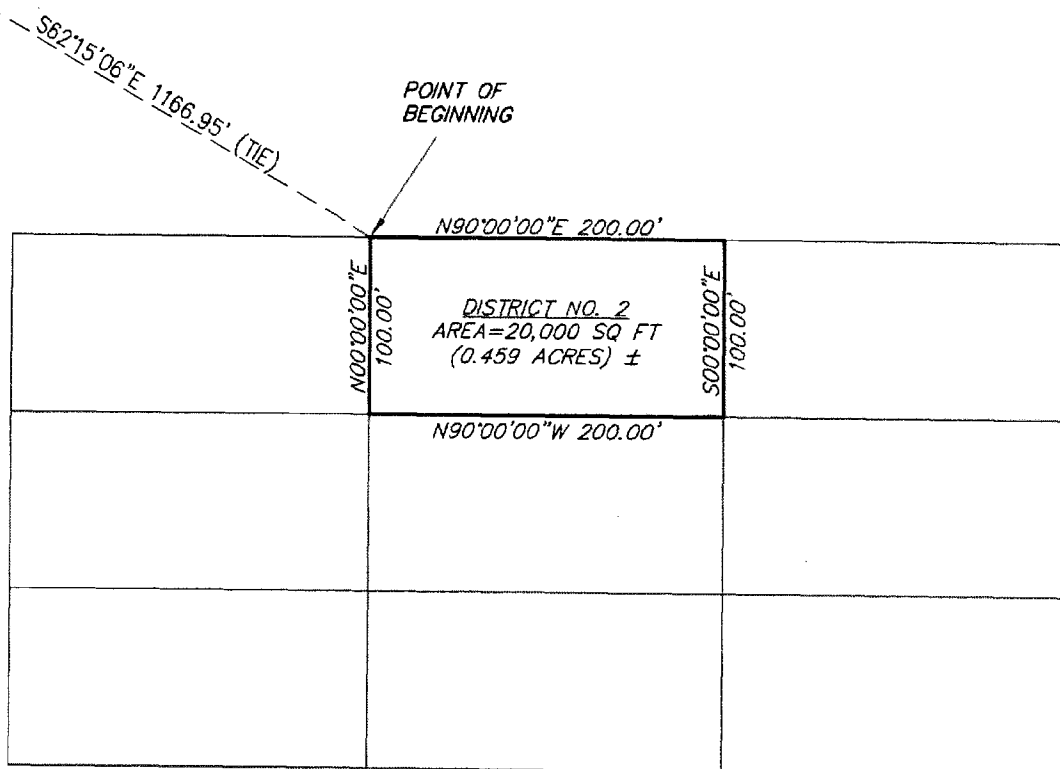
SHEET: 2 OF 11

POINT OF COMMENCEMENT

C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

N89°10'22"E 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS

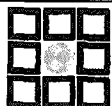
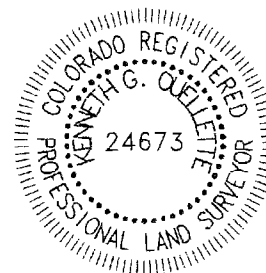


SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



0 50 100 200

1 inch = 100 ft.



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 2

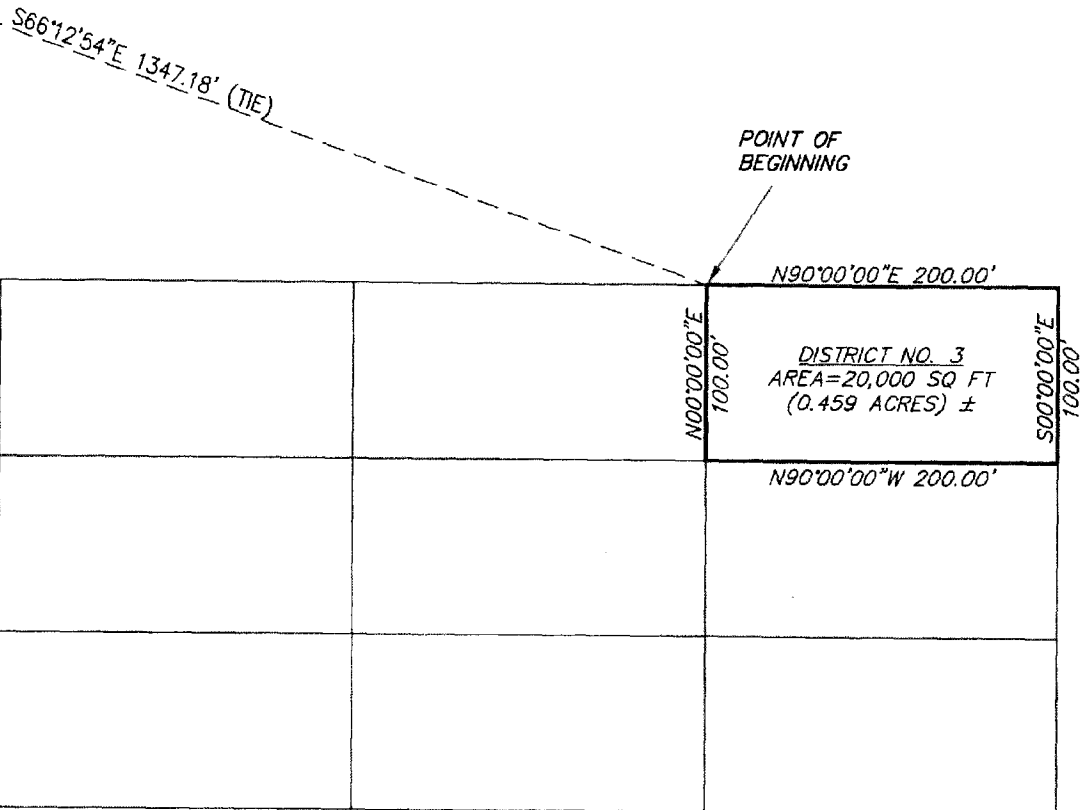
DATE: 8/5/19

SHEET: 3 OF 11

POINT OF COMMENCEMENT
C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

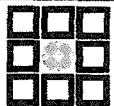
N89°10'22"E 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS



SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



0 50 100 200
1 inch = 100 ft.



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 3

DATE: 8/5/19

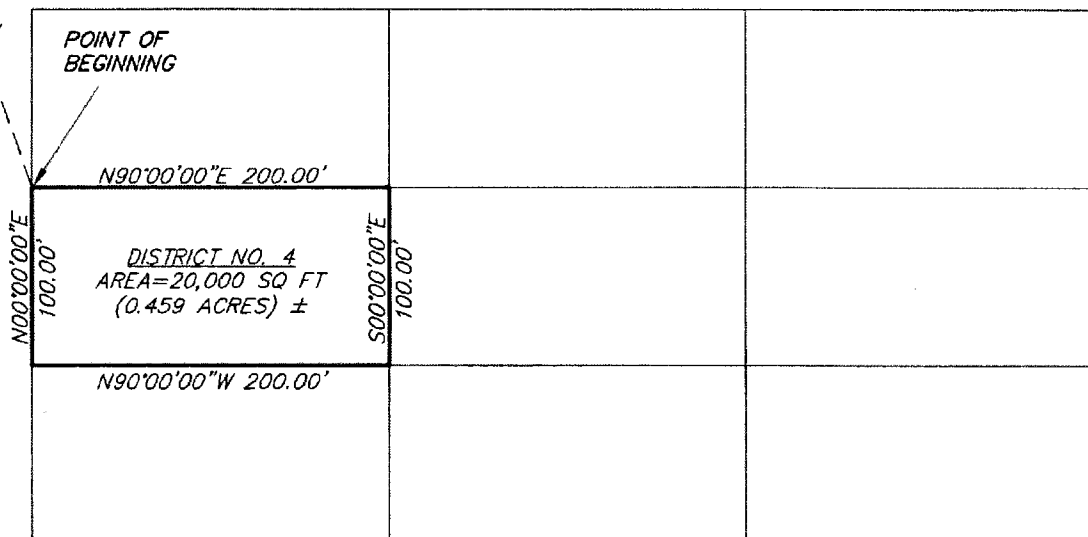
SHEET: 4 OF 11

POINT OF COMMENCEMENT
C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

N89°10'22"E 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS

S52°18'47"E 1052.30' (1E)

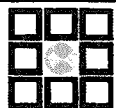
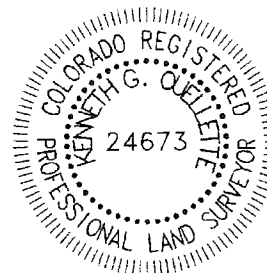


SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



0 50 100 200

1 inch = 100 ft.



MERRICK

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 4

DATE: 8/5/19

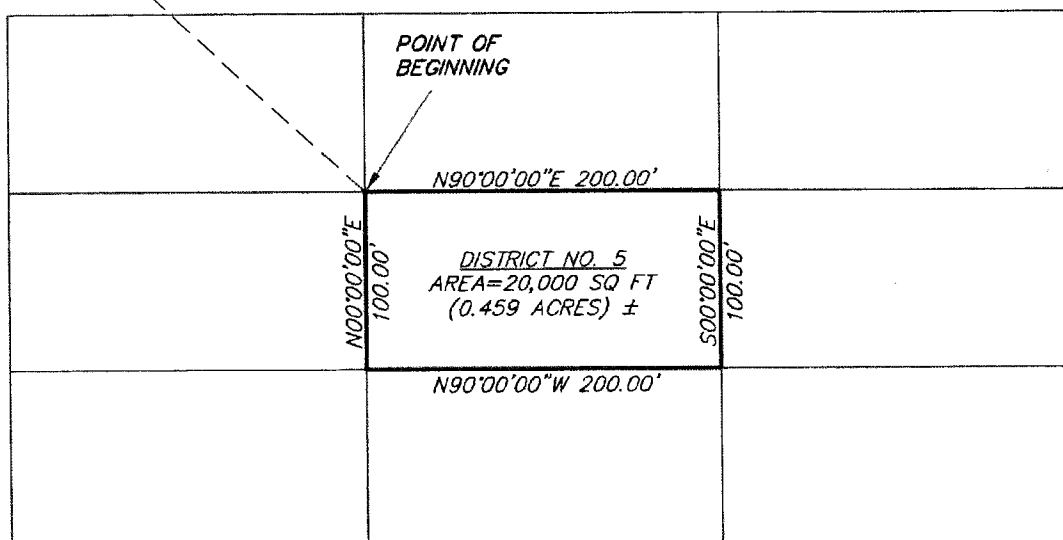
SHEET: 5 OF 11

POINT OF COMMENCEMENT
C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

$N89^{\circ}10'22''E$ 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS

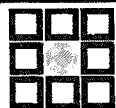
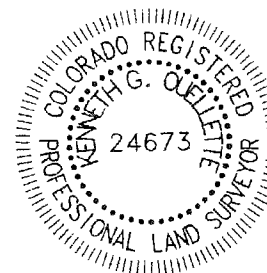
$S58^{\circ}04'50''E$ 1216.74' (TIE)



SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



0 50 100 200
1 inch = 100 ft.



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 5

DATE: 8/5/19

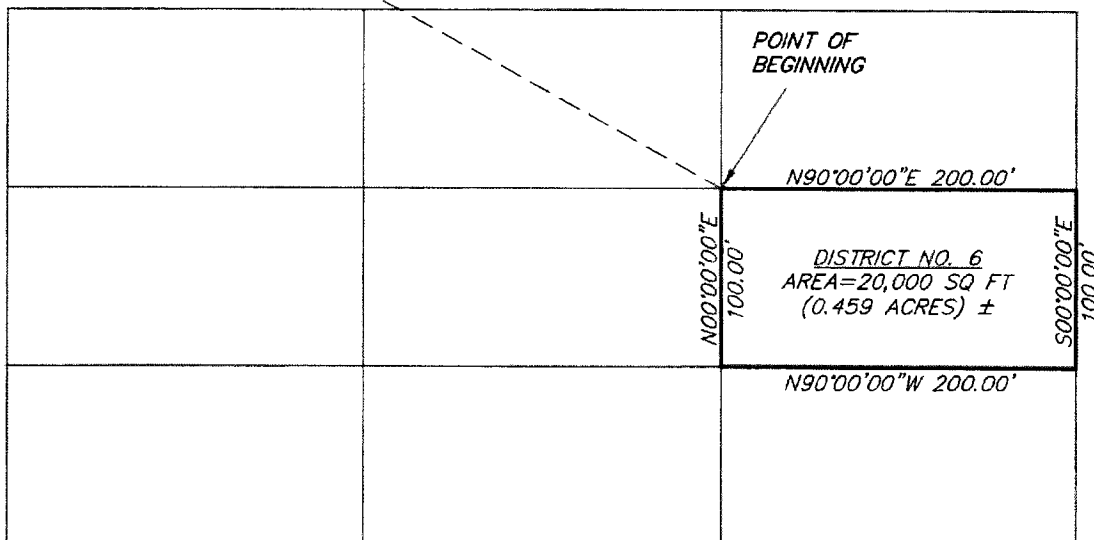
SHEET: 6 OF 11

POINT OF COMMENCEMENT
C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

N89°10'22"E 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS

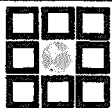
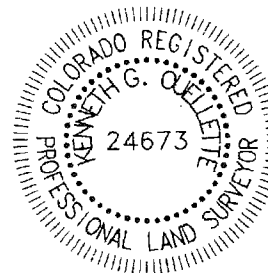
S62°26'31"E 1390.52' (TIE)



SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



0 50 100 200
1 inch = 100 ft.



MERRICK®

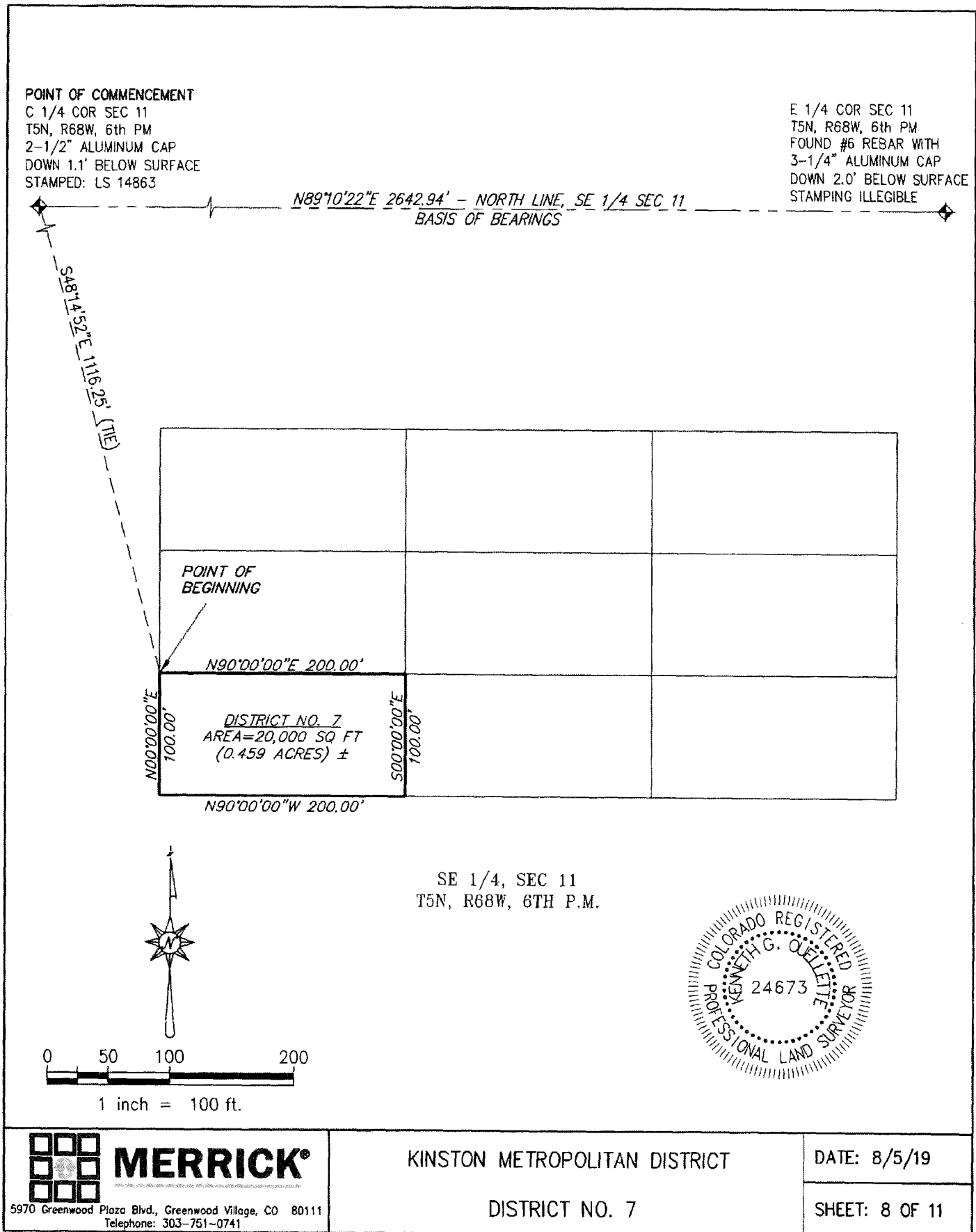
5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 6

DATE: 8/5/19

SHEET: 7 OF 11

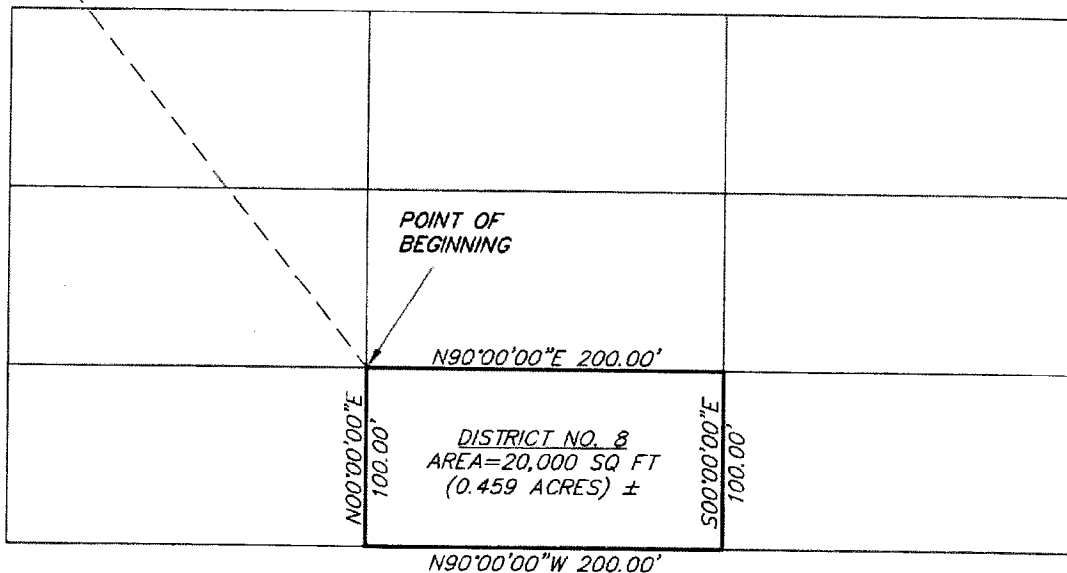


POINT OF COMMENCEMENT
C 1/4 COR SEC 11
T5N, R68W, 6th PM
2-1/2" ALUMINUM CAP
DOWN 1.1' BELOW SURFACE
STAMPED: LS 14863

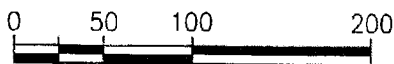
E 1/4 COR SEC 11
T5N, R68W, 6th PM
FOUND #6 REBAR WITH
3-1/4" ALUMINUM CAP
DOWN 2.0' BELOW SURFACE
STAMPING ILLEGIBLE

N89°10'22"E 2642.94' - NORTH LINE, SE 1/4 SEC 11
BASIS OF BEARINGS

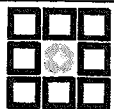
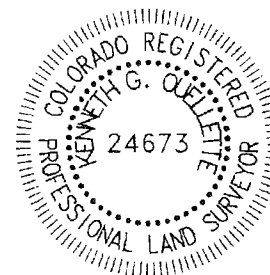
S54°15'20"E 1272.44' (TE)



SE 1/4, SEC 11
T5N, R68W, 6TH P.M.



1 inch = 100 ft.



MERRICK®

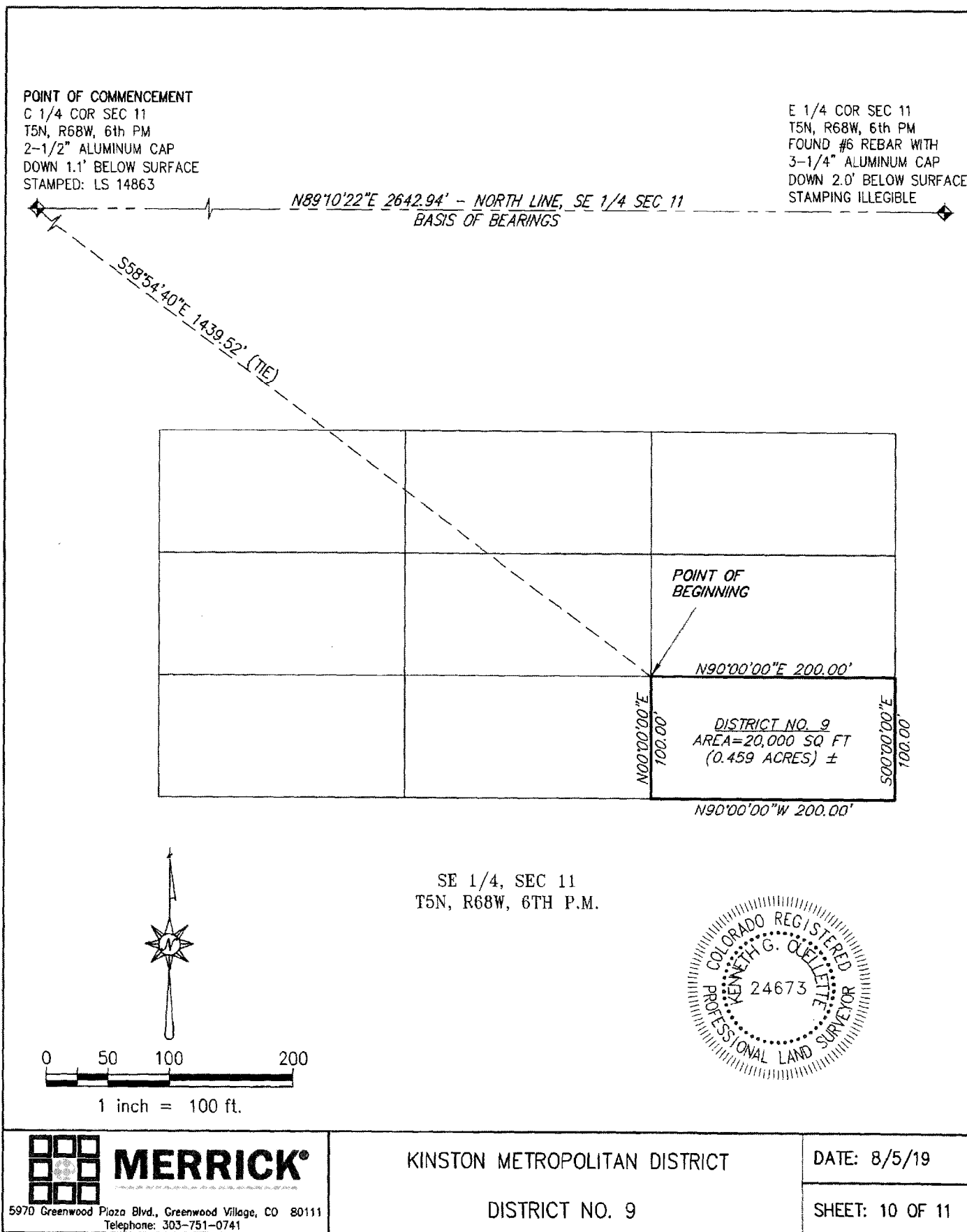
5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT NO. 8

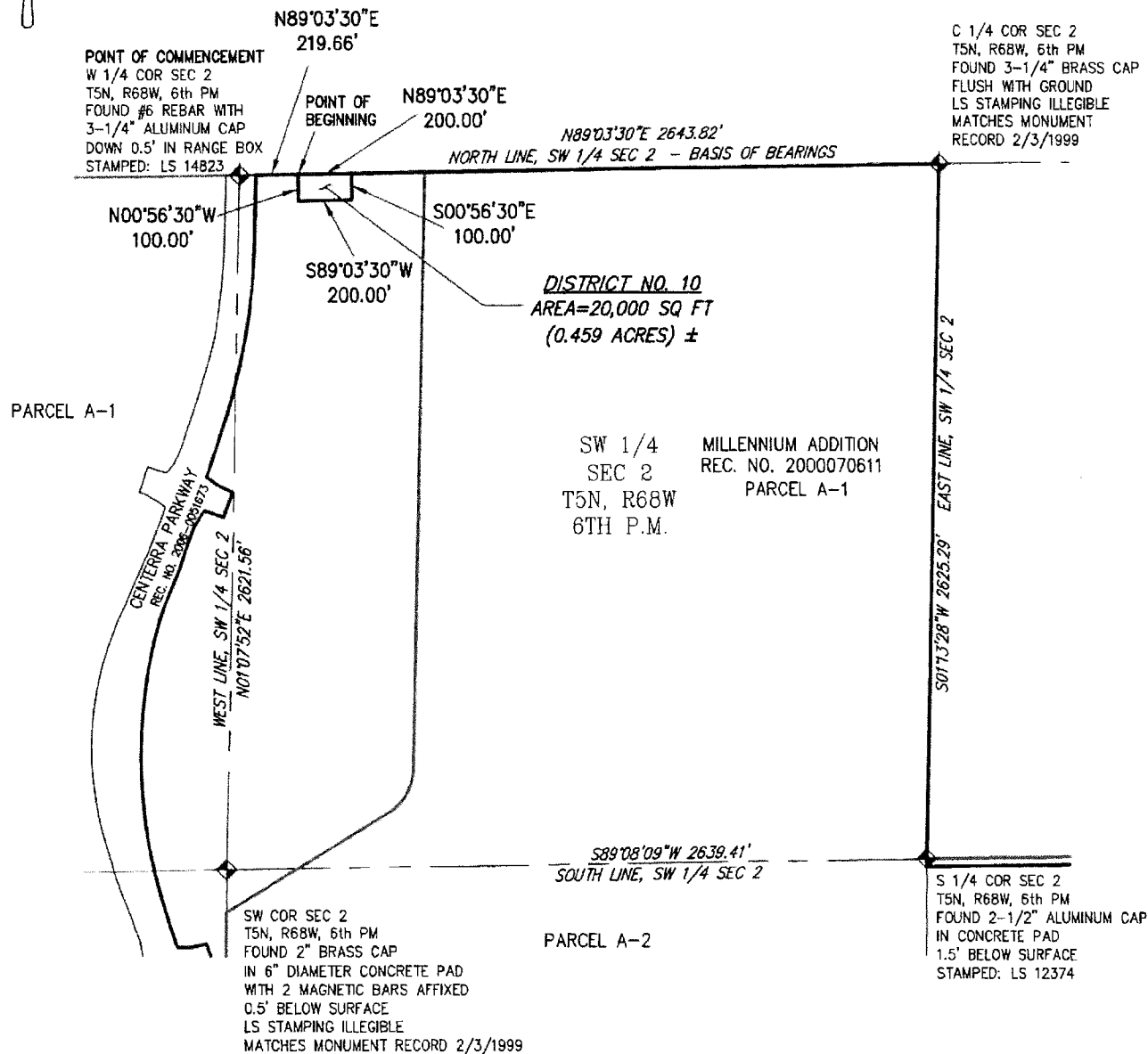
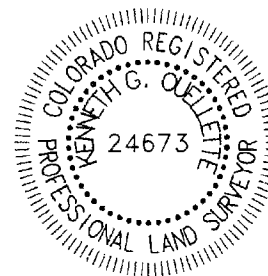
DATE: 8/5/19

SHEET: 9 OF 11





0 300 600 1200
 1 inch = 600 ft.



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
 Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

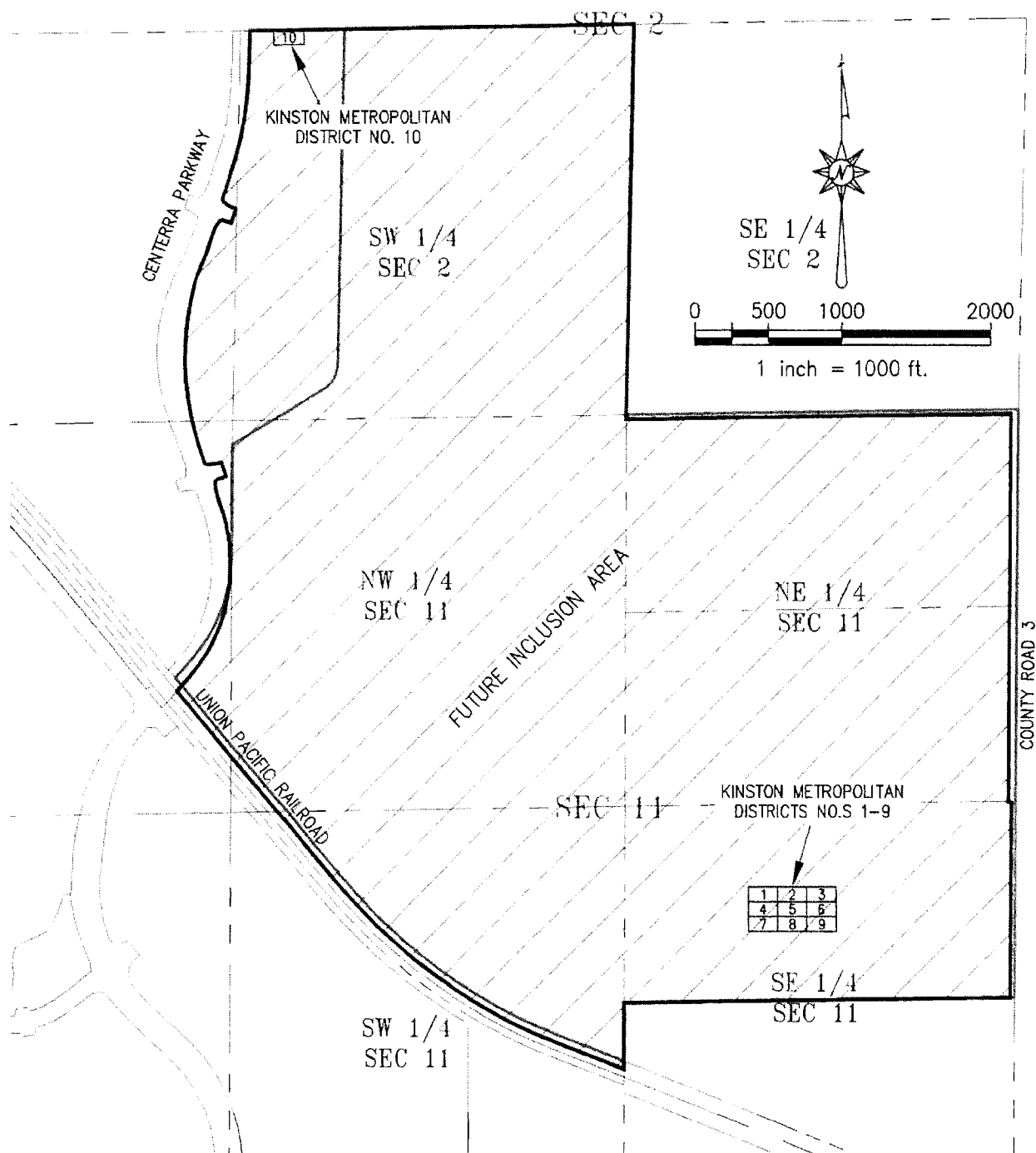
DISTRICT NO. 10

DATE: 8/5/19

SHEET: 11 OF 11

EXHIBIT A-2
Map of Future Inclusion Area

EXHIBIT



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICTS
SERVICE PLAN

FUTURE INCLUSION AREA

DATE: 8/5/19

SHEET: 1 OF 1

EXHIBIT A-3
Vicinity Map

Vicinity Map

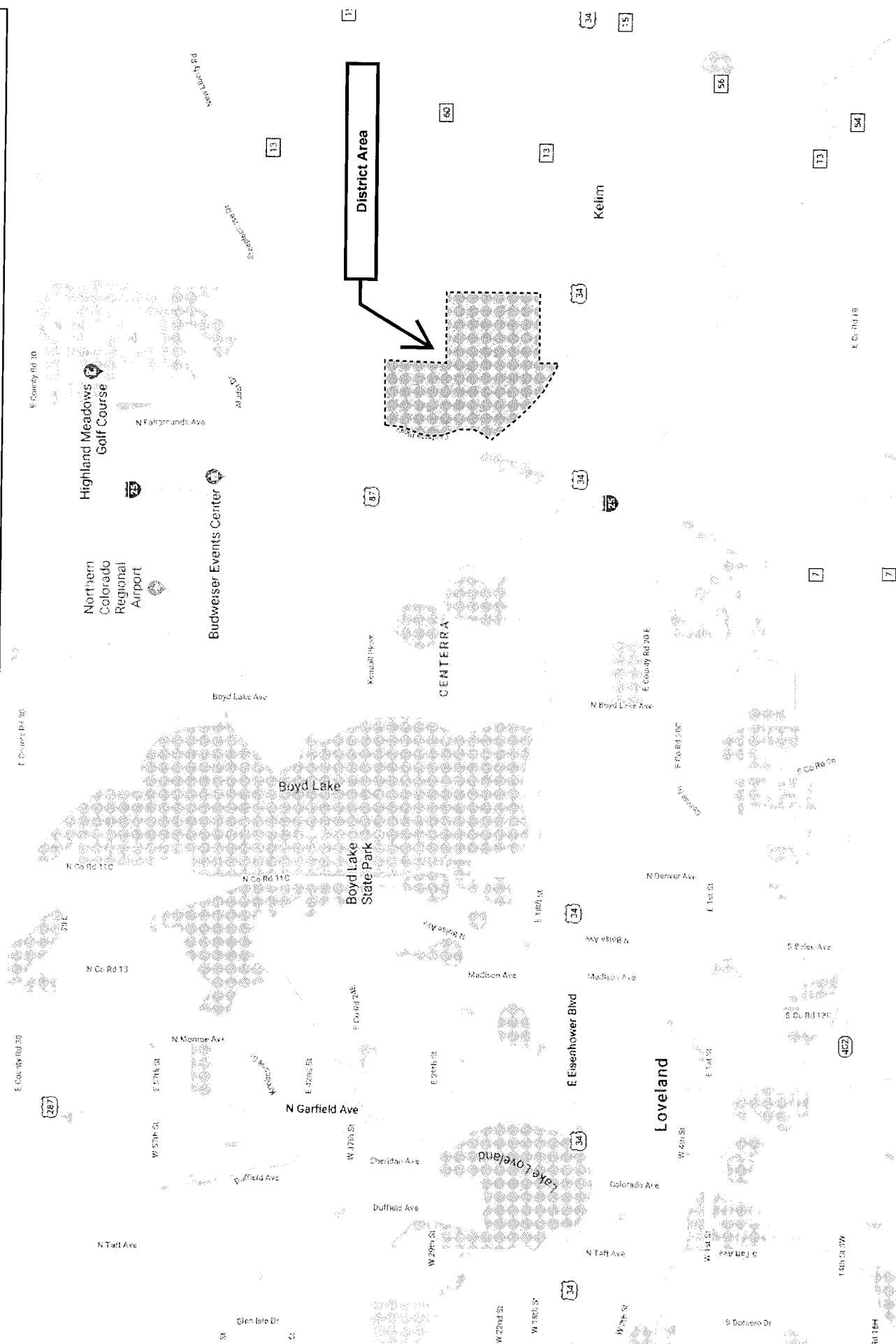


EXHIBIT B-1
Legal Descriptions of the Districts

SE 1/4, SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST 6th P.M.
-----CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO-----

PROPERTY DESCRIPTION

NINE PARCELS OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 1

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S56°52'41"E A DISTANCE OF 994.32 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

DISTRICT NO. 2

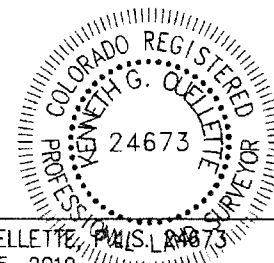
COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°15'06"E A DISTANCE OF 1166.95 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

DISTRICT NO. 3

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S66°12'54"E A DISTANCE OF 1347.18 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.



KENNETH G. OUELLETTE, P.S. 24673
DATE: AUGUST 5, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT PARCELS

DATE: 8/5/19

SHEET: 1 OF 4

SE 1/4, SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST 6th P.M.
-----CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO-----

PROPERTY DESCRIPTION

DISTRICT NO. 4

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S52°18'47"E A DISTANCE OF 1052.30 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

DISTRICT NO. 5

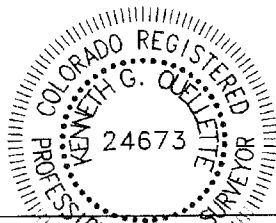
COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°04'50"E A DISTANCE OF 1216.74 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

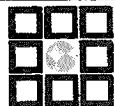
DISTRICT NO. 6

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°26'31"E A DISTANCE OF 1390.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.



KENNETH G. QUILLEY, P.L.S. 24673
DATE: AUGUST 15, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT PARCELS

DATE: 8/5/19

SHEET: 2 OF 4

SE 1/4, SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST 6th P.M.
-----CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO-----

PROPERTY DESCRIPTION

DISTRICT NO. 7

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S48°14'52"E A DISTANCE OF 1116.25 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

DISTRICT NO. 8

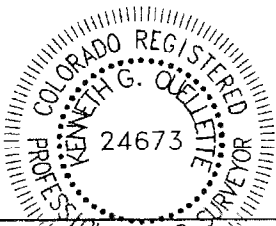
COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S54°15'20"E A DISTANCE OF 1272.44 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

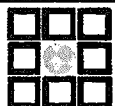
DISTRICT NO. 9

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°54'40"E A DISTANCE OF 1439.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.



KENNETH G. CALOURETTE, P.L.S. 24673
DATE: AUGUST 15, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT PARCELS

DATE: 8/5/19

SHEET: 3 OF 4

SW 1/4, SECTION 2, TOWNSHIP 5 NORTH, RANGE 68 WEST 6th P.M.
-----CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO-----

PROPERTY DESCRIPTION

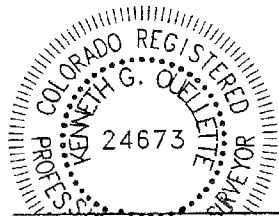
A PARCEL OF LAND BEING A PORTION OF PARCEL A-1, MILLENNIUM ADDITION, A PLAT RECORDED AT RECEPTION NO. 2000070611, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, AS BEARING N89°03'30"E A DISTANCE OF 2643.82 FEET BETWEEN THE WEST QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" ALUMINUM CAP, DOWN 0.5 FEET IN A RANGE BOX, STAMPED: LS 14823 AND THE CENTER QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" BRASS CAP FLUSH WITH THE GROUND, STAMPING ILLEGIBLE.

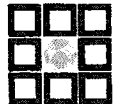
DISTRICT NO. 10

COMMENCING AT SAID WEST QUARTER CORNER OF SECTION 2;
THENCE N89°03'30"E ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 A DISTANCE OF 219.66 FEET TO THE **POINT OF BEGINNING**.
THENCE N89°03'30"E CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 200.00 FEET;
THENCE S00°56'30"E A DISTANCE OF 100.00 FEET;
THENCE S89°03'30"W A DISTANCE OF 200.00 FEET;
THENCE N00°56'30"W A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.



KEN NETHAL OMS LITE, P.L.S. 24673
DATE: AUGUST 15, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Tele Phone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DISTRICT PARCELS

DATE: 8/5/19

SHEET: 4 OF 4

EXHIBIT B-2
Legal Description of Future Inclusion Area

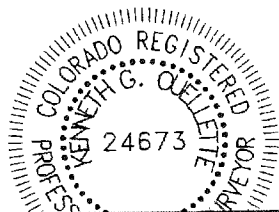
EXHIBIT

PROPERTY DESCRIPTION

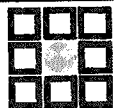
A PARCEL OF LAND BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 2, THE SOUTHEAST QUARTER OF SECTION 3, THE NORTHEAST QUARTER OF SECTION 10 AND A PORTION OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, AS BEARING S89°03'30"W A DISTANCE OF 2643.82 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" BRASS CAP FLUSH WITH THE GROUND, STAMPING ILLEGIBLE AND THE WEST QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" ALUMINUM CAP, DOWN 0.5 FEET IN A RANGE BOX, STAMPED: 1S 14823.

BEGINNING AT SAID CENTER QUARTER CORNER OF SECTION 2;
THENCE S01°13'28"W ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 A DISTANCE OF 2625.29 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 11;
THENCE S00°20'40"W ALONG THE WEST LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 30.01 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 24 AS DESCRIBED IN THE ROAD VIEWERS REPORT RECORDED IN BOOK 4, AT PAGE 202, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE N89°08'28"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTH ONE-HALF OF THE NORTHEAST QUARTER OF SECTION 11 A DISTANCE OF 2618.89 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 3 AS DESCRIBED IN THAT DEED OF DEDICATION RECORDED AT RECEPTION NO. 20060096244 IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE S00°27'20"W ALONG SAID WESTERLY RIGHT-OF-WAY LINE BEING 50.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF SAID NORTH ONE-HALF OF THE NORTHEAST QUARTER OF SECTION 11 A DISTANCE OF 1293.34 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHEAST QUARTER OF SAID SECTION 11;
THENCE S00°29'36"W CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE BEING 50.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTH ONE-HALF OF THE NORTHEAST QUARTER OF SECTION 11 A DISTANCE OF 1318.10 FEET TO A POINT ON THE NORTH LINE OF THE NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11;
THENCE N89°10'22"E ALONG SAID NORTH LINE A DISTANCE OF 20.01 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 3 AS DESCRIBED IN THE ROAD VIEWERS REPORT RECORDED IN BOOK 4, AT PAGE 265, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE S00°28'04"W CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF SAID NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF SECTION 11 A DISTANCE OF 1320.65 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11;
THENCE S89°10'56"W ALONG THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 2610.13 FEET TO THE NORTHWEST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11;
THENCE S00°20'47"W ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 444.92 FEET TO THE SOUTHEASTERLY CORNER OF THAT SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 20040096015 IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE ALONG THE SOUTHWESTERLY LINE OF SAID RECEPTION NO. 20040096015 THE FOLLOWING THREE (3) COURSES:



KENNETH G. OUELLETTE, P.L.S. 24673
DATE: AUGUST 5, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICTS
SERVICE PLAN

FUTURE INCLUSION AREA

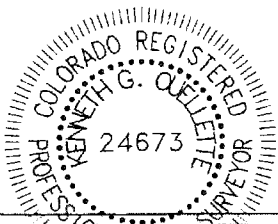
DATE: 8/5/19

SHEET: 1 OF 3

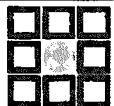
EXHIBIT

PROPERTY DESCRIPTION

1. N68°08'51"W TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 477.87 FEET;
2. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 28°44'00", A RADIUS OF 3769.83 FEET, A CHORD BEARING N53°46'51"W A DISTANCE OF 1870.79 FEET, AND AN ARC DISTANCE OF 1890.54 FEET;
3. THENCE N39°24'51"W TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 1630.85 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF CENTERRA PARKWAY AS DESCRIBED IN THAT GRANT OF EASEMENT RECORDED AT RECEPTION NO. 2006-0051673 IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THIRTY (30) COURSES:
 1. N40°35'09"E TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 140.91 FEET;
 2. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 43°08'24", A RADIUS OF 1111.50 FEET, A CHORD BEARING N19°00'57"E A DISTANCE OF 817.26 FEET, AND AN ARC DISTANCE OF 836.89 FEET;
 3. THENCE N02°51'25"E NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 10.12 FEET;
 4. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 00°21'37", A RADIUS OF 7981.50 FEET, A CHORD BEARING N02°56'41"W A DISTANCE OF 50.17 FEET, AND AN ARC DISTANCE OF 50.17 FEET;
 5. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 09°40'04", A RADIUS OF 1117.07 FEET, A CHORD BEARING N07°35'55"W A DISTANCE OF 188.26 FEET, AND AN ARC DISTANCE OF 188.49 FEET;
 6. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 05°27'10", A RADIUS OF 533.50 FEET, A CHORD BEARING N15°09'32"W A DISTANCE OF 50.75 FEET, AND AN ARC DISTANCE OF 50.77 FEET;
 7. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 00°12'05", A RADIUS OF 1124.50 FEET, A CHORD BEARING N17°59'09"W A DISTANCE OF 3.95 FEET, AND AN ARC DISTANCE OF 3.95 FEET;
 8. THENCE N18°05'12"W TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 140.61 FEET;
 9. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 21°32'34", A RADIUS OF 283.50 FEET, A CHORD BEARING N07°18'55"W A DISTANCE OF 105.97 FEET, AND AN ARC DISTANCE OF 106.59 FEET;
 10. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 68°27'26", A RADIUS OF 8.50 FEET, A CHORD BEARING N37°41'05"E A DISTANCE OF 9.56 FEET, AND AN ARC DISTANCE OF 10.16 FEET;
 11. THENCE N71°54'48"E TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 68.77 FEET;
 12. THENCE N18°05'12"W NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 101.00 FEET;
 13. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 21°41'02", A RADIUS OF 283.50 FEET, A CHORD BEARING S82°45'19"W A DISTANCE OF 106.65 FEET, AND AN ARC DISTANCE OF 107.29 FEET;
 14. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 68°18'58", A RADIUS OF 7.50 FEET, A CHORD BEARING N52°14'41"W A DISTANCE OF 8.42 FEET, AND AN ARC DISTANCE OF 8.94 FEET;
 15. THENCE N18°05'12"W TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 116.62 FEET;
 16. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 33°13'56", A RADIUS OF 1944.50 FEET, A CHORD BEARING N01°28'13"W A DISTANCE OF 1112.09 FEET, AND AN ARC DISTANCE OF 1127.83 FEET;
 17. THENCE N21°03'15"E NON-TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 9.96 FEET;



KENNETH G. QUILLEY, P.L.S. 24673
DATE: AUGUST 5, 2019
JOB NO. 65120236
FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICTS
SERVICE PLAN

FUTURE INCLUSION AREA

DATE: 8/5/19

SHEET: 2 OF 3

EXHIBIT

PROPERTY DESCRIPTION

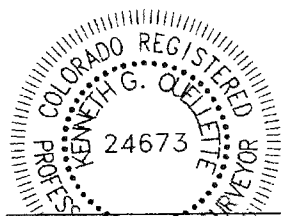
18. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 06°09'07", A RADIUS OF 436.50 FEET, A CHORD BEARING N18°32'04"E A DISTANCE OF 46.85 FEET, AND AN ARC DISTANCE OF 46.87 FEET;
19. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 01°52'38", A RADIUS OF 3128.55 FEET, A CHORD BEARING N22°32'57"E A DISTANCE OF 102.50 FEET, AND AN ARC DISTANCE OF 102.50 FEET;
20. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 04°47'57", A RADIUS OF 598.50 FEET, A CHORD BEARING N21°05'18"E A DISTANCE OF 50.12 FEET, AND AN ARC DISTANCE OF 50.13 FEET;
21. THENCE N18°41'19"E TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 134.64 FEET;
22. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 21°32'34", A RADIUS OF 283.50 FEET, A CHORD BEARING N29°27'36"E A DISTANCE OF 105.97 FEET, AND AN ARC DISTANCE OF 106.59 FEET;
23. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 68°27'26", A RADIUS OF 8.50 FEET, A CHORD BEARING N74°27'36"E A DISTANCE OF 9.56 FEET, AND AN ARC DISTANCE OF 10.16 FEET;
24. THENCE S71°18'41"E TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 68.77 FEET;
25. THENCE N18°41'19"E NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 101.00 FEET;
26. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 21°32'34", A RADIUS OF 283.50 FEET, A CHORD BEARING N60°32'24"W A DISTANCE OF 105.97 FEET, AND AN ARC DISTANCE OF 106.59 FEET;
27. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 68°27'26", A RADIUS OF 8.50 FEET, A CHORD BEARING N15°32'24"W A DISTANCE OF 9.56 FEET, AND AN ARC DISTANCE OF 10.16 FEET;
28. THENCE N18°41'19"E TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 151.85 FEET;
29. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 17°33'42", A RADIUS OF 2484.50 FEET, A CHORD BEARING N09°54'28"E A DISTANCE OF 758.54 FEET, AND AN ARC DISTANCE OF 761.52 FEET;
30. THENCE N01°07'37"E TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 243.18 FEET A POINT ON SAID NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 2;
THENCE N89°03'30"E ALONG SAID NORTH LINE A DISTANCE OF 2582.33 FEET TO THE POINT OF BEGINNING.

CONTAINING 624.781 ACRES, MORE OR LESS.

EXCLUDING KINSTON METROPOLITAN DISTRICTS NO.S 1-10

CONTAINING 200,000 SQUARE FEET (4.591 ACRES), MORE OR LESS.

TOTAL NET INCLUSION AREA=(620.190 ACRES), MORE OR LESS.

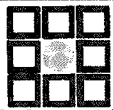


KENNETH G. QUETTETTE, P.L.S. 24673

DATE: AUGUST 5, 2019

JOB NO. 65120236

FOR AND ON BEHALF OF MERRICK & COMPANY



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICTS
SERVICE PLAN

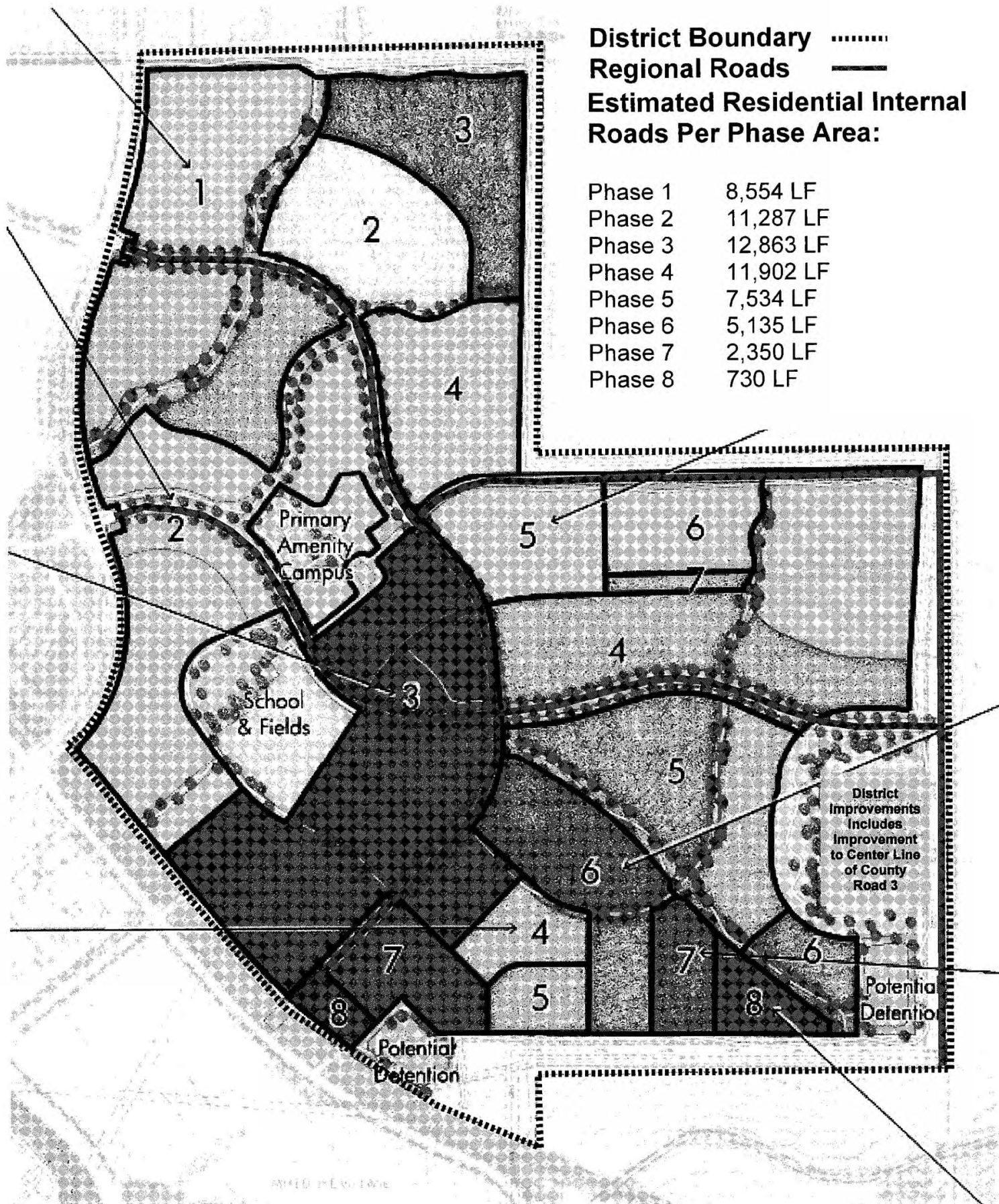
FUTURE INCLUSION AREA

DATE: 8/5/19

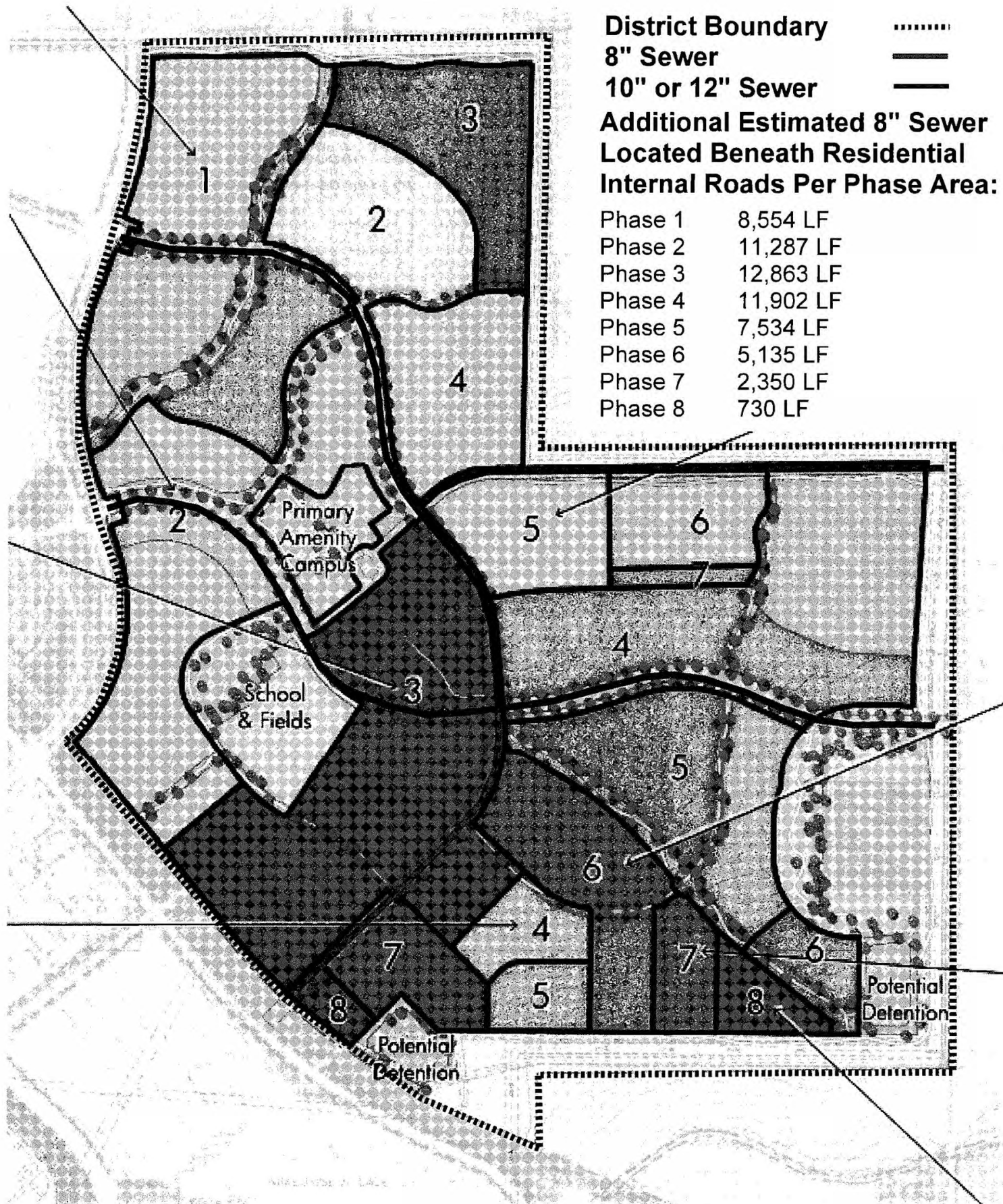
SHEET: 3 OF 3

EXHIBIT C
Public Improvement Diagrams

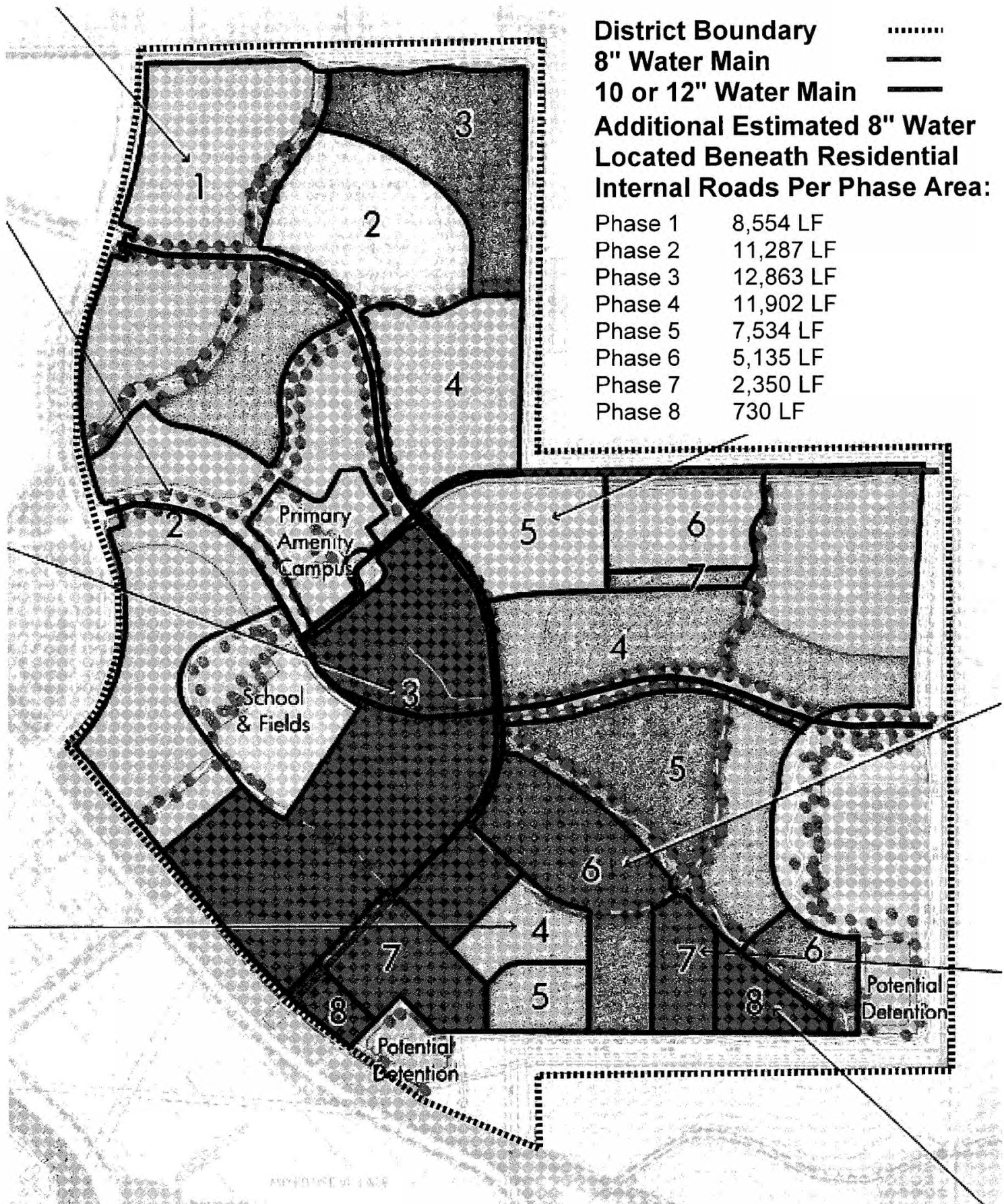
Street Plan



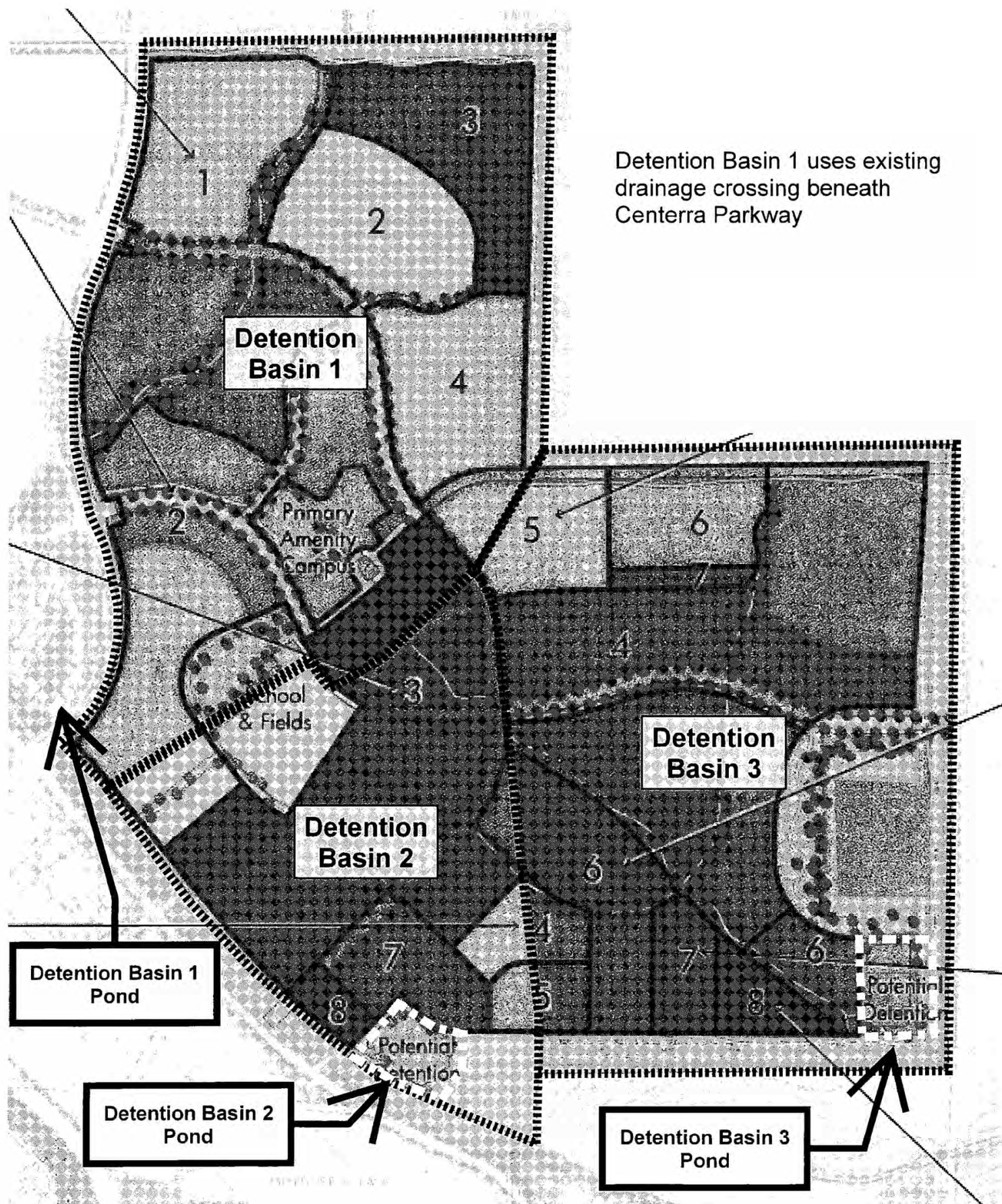
Sanitary Sewer Plan



Water Plan



Storm Drainage Plan



Landscape Plan

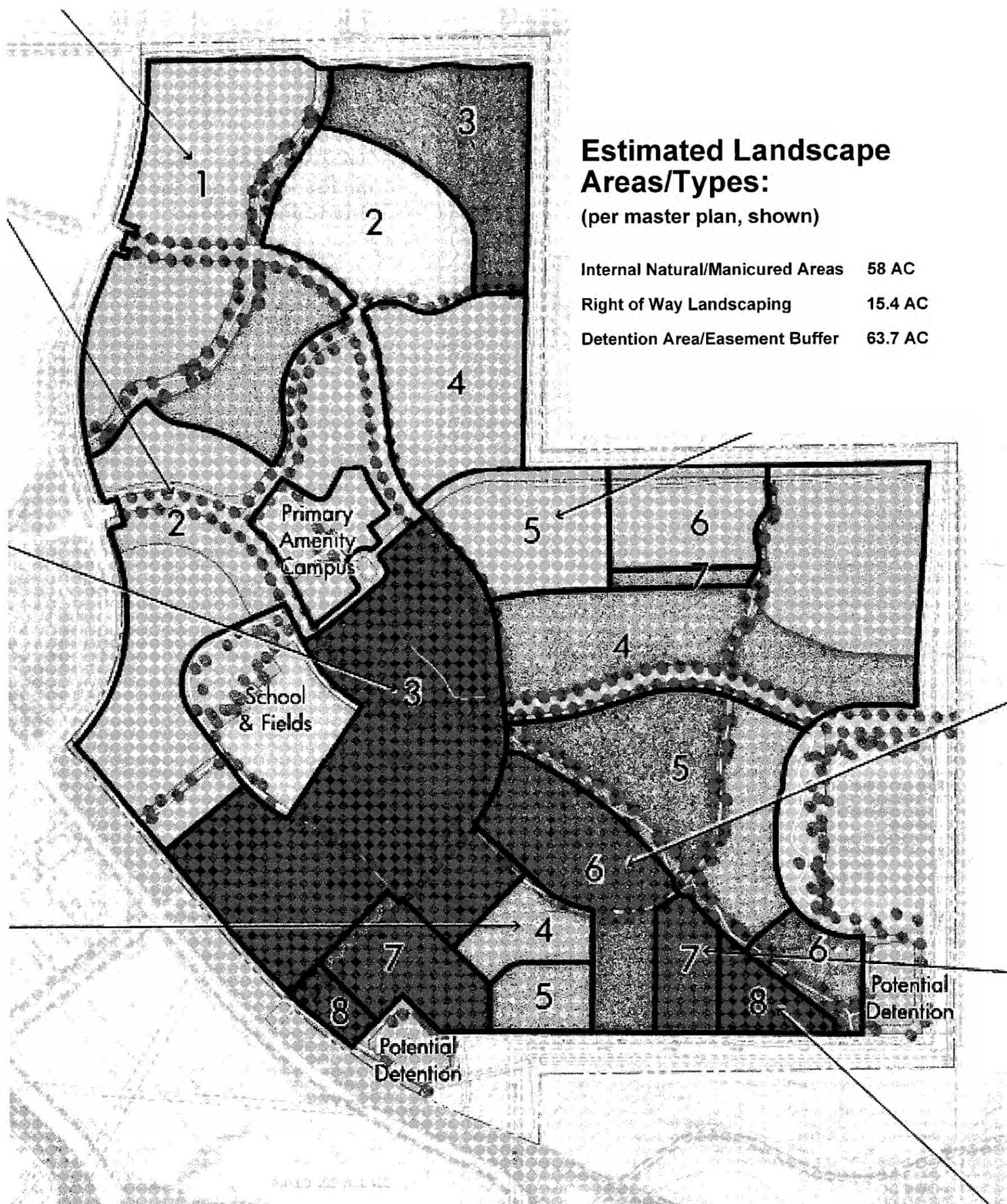


EXHIBIT D
Cost Estimates

Project Cost Estimate Summary - KINSTON																
Lots in Phase																
IN-TRACT COSTS																
316																
Phase 1																
Public																
Engineering, Planning & Bid Phase	\$	611,660	\$	830,921	\$	941,505	\$	882,755	\$	546,153	\$	380,010	\$	188,660	\$	58,991
Inspections, Legal/Admin & CM	\$	100,193	\$	136,737	\$	155,167	\$	142,042	\$	89,275	\$	61,585	\$	23,693	\$	722,776
Permits & Fees	\$	50,097	\$	66,368	\$	77,584	\$	71,021	\$	44,638	\$	30,793	\$	14,847	\$	361,388
Construction Surveying/Staking	\$	151,680	\$	234,240	\$	275,040	\$	258,240	\$	180,960	\$	139,680	\$	84,000	\$	1,357,440
Material Testing	\$	158,000	\$	244,000	\$	286,500	\$	269,000	\$	188,500	\$	145,500	\$	87,500	\$	1,414,000
SUBTOTAL SOFT & PROF SERVICES	\$	1,071,630	\$	1,514,267	\$	1,735,796	\$	1,603,058	\$	1,043,526	\$	757,568	\$	404,700	\$	8,276,258
District Project Management Fee	\$	453,033	\$	625,758	\$	711,318	\$	652,228	\$	412,437	\$	287,015	\$	142,359	\$	3,326,403
SOFT & PROF SERVICES CONTINGENCY (2% Total Soft)	\$	21,433	\$	30,285	\$	34,716	\$	32,061	\$	20,991	\$	15,151	\$	8,094	\$	165,525
SOFT COST TOTAL	\$	1,546,095	\$	2,170,310	\$	2,481,831	\$	2,287,347	\$	1,482,953	\$	1,069,734	\$	555,153	\$	11,768,187
HARD COSTS																
Removals	\$	259,120	\$	362,720	\$	413,820	\$	381,400	\$	249,380	\$	178,860	\$	91,040	\$	1,960,260
EC & Environmental	\$	1,150,240	\$	1,732,040	\$	1,992,740	\$	1,855,800	\$	1,269,560	\$	956,520	\$	538,463	\$	9,662,303
Overlot Grading (70% to in-tract)	\$	1,350,336	\$	1,779,438	\$	2,020,385	\$	1,855,196	\$	1,166,545	\$	794,274	\$	359,210	\$	9,413,725
Sanitary	\$	1,299,545	\$	1,712,748	\$	1,945,434	\$	1,787,814	\$	1,124,976	\$	766,060	\$	346,892	\$	9,071,192
Water	\$	1,299,545	\$	1,712,748	\$	1,945,434	\$	1,787,814	\$	1,124,976	\$	766,060	\$	346,892	\$	9,071,192
Storm (assumed 70% to in-tract)	\$	774,200	\$	1,054,300	\$	1,198,800	\$	1,100,300	\$	705,850	\$	495,150	\$	239,575	\$	5,624,925
Concrete (trails in Amenity cost)	\$	775,895	\$	1,147,963	\$	1,250,273	\$	1,054,409	\$	486,187	\$	259,598	\$	133,362	\$	5,130,702
Streets (incl paving, and Signals)	\$	2,369,596	\$	3,201,679	\$	3,659,121	\$	3,396,776	\$	2,186,719	\$	1,522,268	\$	723,942	\$	17,308,696
Traffic Control	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	80,000
Dry Utilities and Mailboxes	\$		\$		\$		\$		\$		\$		\$		\$	
In-Tract Hard Costs	\$	7,989,031	\$	11,000,888	\$	12,490,573	\$	11,441,496	\$	7,193,217	\$	4,982,729	\$	2,442,484	\$	58,251,803
HARD COST SUBTOTAL	\$	7,989,031	\$	11,000,888	\$	12,490,573	\$	11,441,496	\$	7,193,217	\$	4,982,729	\$	2,442,484	\$	58,251,803
WARRANTIES AND MAINTENANCE	\$	159,781	\$	220,018	\$	249,811	\$	228,830	\$	143,984	\$	99,655	\$	48,850	\$	1,165,036
HARD COST CONTINGENCY	\$	799,903	\$	1,100,089	\$	1,249,057	\$	1,144,150	\$	719,922	\$	498,273	\$	244,248	\$	5,825,180
HARD COST TOTAL	\$	8,947,715	\$	12,320,995	\$	13,989,442	\$	12,814,475	\$	8,063,123	\$	5,580,657	\$	2,735,582	\$	65,242,020
Total In-Tract Costs (Soft and Hard):	\$	10,493,810	\$	14,491,305	\$	16,471,273	\$	15,101,822	\$	9,546,077	\$	6,640,391	\$	3,290,735	\$	77,010,206

Project Cost Estimate Summary - KINSTON										
Lots in Phase										
REGIONAL COSTS										
SOFT COSTS										
Engineering, Planning & Bid Phase	316	488	573	538	377	291	175	70	Lot Total	
Inspections, Legal/Admin & CM	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	2828	Cost/CE
Permits & Fees	Public	Public	Public	Public	Public	Public	Public	Public	Total	Build Out
\$ 991,309	\$ 493,611	\$ 869,266	\$ 1,117,311	\$ 762,901	\$ 52,814	\$ 1,105,582	\$ 106,148	\$ 7,385	\$ 5,481,514	
\$ 79,589	\$ 63,554	\$ 69,731	\$ 114,274	\$ 32,814	\$ 76,689	\$ 1,231	\$ 13,677	\$ 1,231	\$ 491,538	
\$ 39,795	\$ 31,777	\$ 44,866	\$ 57,137	\$ 26,407	\$ 38,335	\$ 615	\$ 6,838	\$ 615	\$ 245,769	
Material Testing										
SUBTOTAL SOFT & PROF SERVICES	\$ 1,110,693	\$ 586,942	\$ 1,033,863	\$ 1,288,722	\$ 842,122	\$ 1,220,586	\$ 126,563	\$ 9,231	\$ 6,218,822	
District Project Management Fee	\$ 453,481	\$ 247,116	\$ 500,349	\$ 574,605	\$ 306,175	\$ 444,376	\$ 74,716	\$ 6,616	\$ 2,607,432	
SOFT & PROF SERVICES CONTINGENCY (2% Total Soft)	\$ 22,214	\$ 11,739	\$ 20,677	\$ 25,774	\$ 16,842	\$ 24,412	\$ 2,533	\$ 185	\$ 124,376	
SOFT COST TOTAL	\$ 1,586,388	\$ 845,796	\$ 1,554,888	\$ 1,889,101	\$ 1,165,140	\$ 1,689,373	\$ 203,913	\$ 16,031	\$ 8,950,630	
HARD COSTS										
Removals (oil and gas well items, plug)	\$ 50,000								\$ 50,000	
Overlaid Grading (30% to regional)	\$ 482,960	\$ 742,303	\$ 854,031	\$ 795,257	\$ 544,097	\$ 409,937	\$ 230,770	\$ 71,631	\$ 4,140,987	
Sanitary	\$ 161,158	\$ 237,384	\$ 675,362	\$ 227,474	\$ -	\$ 116,688	\$ 239,460	\$ -	\$ 1,213,567	
Water	\$ 142,560	\$ 339,680	\$ 421,155	\$ 395,430	\$ 277,095	\$ 213,885	\$ 128,625	\$ 51,450	\$ 1,688,928	
Storm (assumed 30% to regional)	\$ 331,800	\$ 321,770	\$ 481,862	\$ 846,527	\$ -	\$ 78,660	\$ 64,989	\$ -	\$ 2,178,120	
Concrete (trails in amenity cost)	\$ 124,041	\$ 1,391,185	\$ 2,433,150	\$ 3,291,605	\$ -	\$ 316,892	\$ 275,411	\$ -	\$ 1,917,878	
Streets (incl paving, and Signals)	\$ 1,399,249								\$ 9,107,492	
Traffic Control	\$ 25,000								\$ 40,000	
Other (Signs, WAPA, gas, fiber)	\$ 150,000								\$ 300,000	
Landscaping - General Open Space and streetscapes	\$ 5,137,740	\$ 1,102,890	\$ 3,608,796	\$ 4,316,688	\$ 4,460,187	\$ 6,455,661	\$ 240,888	\$ -	\$ 25,322,850	
Regional/Backbone Hard Costs	\$ 7,959,924	\$ 4,355,369	\$ 8,973,107	\$ 10,203,371	\$ 5,281,379	\$ 7,666,529	\$ 1,367,661	\$ 123,081	\$ 45,929,823	
HARD COST SUBTOTAL	\$ 7,959,924	\$ 4,355,369	\$ 8,973,107	\$ 10,203,371	\$ 5,281,379	\$ 7,666,529	\$ 1,367,661	\$ 123,081	\$ 45,929,823	
WARRANTIES AND MAINTENANCE	\$ 159,178	\$ 87,107	\$ 179,462	\$ 204,067	\$ 105,628	\$ 153,339	\$ 27,353	\$ 2,462	\$ 918,596	
HARD COST CONTINGENCY	\$ 795,892	\$ 435,537	\$ 897,311	\$ 1,020,337	\$ 528,138	\$ 766,693	\$ 136,766	\$ 12,308	\$ 4,592,982	
HARD COST TOTAL	\$ 8,913,995	\$ 4,878,013	\$ 10,049,880	\$ 11,427,776	\$ 5,915,145	\$ 8,586,961	\$ 1,531,780	\$ 137,851	\$ 51,441,401	
Total Regional Costs (Soft and Hard):	\$ 10,500,383	\$ 5,723,810	\$ 11,604,769	\$ 13,316,877	\$ 7,080,284	\$ 10,276,334	\$ 1,735,693	\$ 153,883	\$ 60,392,032	

Project Cost Estimate Summary - KINSTON										
Lots in Phase										
AMENITY COSTS										
SOFT COSTS										
Engineering, Planning & Bid Phase	316	488	573	538	377	291	175	70	Lot Total	
Inspections, Legal/Admin & CM	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	2828	Cost/CE
Permits & Fees	Public	Public	Public	Public	Public	Public	Public	Public	Total	Build Out
\$ 196,000	\$ 108,000	\$ 868,000	\$ 80,000	\$ 160,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 1,652,000	
\$ 18,500	\$ 8,750	\$ 135,500	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 190,750	
\$ 9,250	\$ 3,375	\$ 67,750	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 95,375	
Material Testing										
SUBTOTAL SOFT & PROF SERVICES	\$ 223,750	\$ 118,125	\$ 1,071,250	\$ 87,500	\$ 175,000	\$ 87,500	\$ 87,500	\$ 87,500	\$ 1,938,125	
District Project Management Fee	\$ 53,688	\$ 39,656	\$ 81,063	\$ 29,375	\$ 58,750	\$ 29,375	\$ 29,375	\$ 29,375	\$ 350,656	
SOFT & PROF SERVICES CONTINGENCY (2% Total Soft)	\$ 4,475	\$ 2,363	\$ 21,425	\$ 1,750	\$ 3,500	\$ 1,750	\$ 1,750	\$ 1,750	\$ 38,763	
SOFT COST TOTAL	\$ 281,913	\$ 160,144	\$ 1,173,738	\$ 118,625	\$ 237,250	\$ 118,625	\$ 118,625	\$ 118,625	\$ 2,327,544	
Amenities - Parks/Clubhouse/Trails	\$ 850,000	\$ 675,000	\$ 550,000	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,075,000	
Regional/Backbone Hard Costs	\$ 850,000	\$ 675,000	\$ 550,000	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,075,000	
HARD COST SUBTOTAL	\$ 850,000	\$ 675,000	\$ 550,000	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,075,000	
WARRANTIES AND MAINTENANCE	\$ 17,000	\$ 13,500	\$ 11,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 101,500	
HARD COST CONTINGENCY	\$ 85,000	\$ 67,500	\$ 55,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 507,500	
HARD COST TOTAL	\$ 952,000	\$ 756,000	\$ 616,000	\$ 560,000	\$ 1,120,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 5,684,000	
Total Amenity Costs (Soft and Hard):	\$ 1,233,913	\$ 916,144	\$ 1,789,738	\$ 678,625	\$ 1,357,250	\$ 678,625	\$ 678,625	\$ 678,625	\$ 8,011,544	
PROJECT TOTAL	\$ 22,228,106	\$ 21,131,268	\$ 29,865,779	\$ 29,097,324	\$ 17,983,611	\$ 17,595,350	\$ 5,705,053	\$ 1,807,302	\$ 145,413,782	

EXHIBIT E
Financing Plan

DA Davidson & Co.
member SPC

KINSTON METROPOLITAN DISTRICT
Development Projection at \$1,000 (target) Mills for Debt Service - SERVICE PLAN

Series 2030, G.O. Bonds, P&C Refg. of (proposed) Series 2020 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	Total Res't Units	Mkt Value Biennial Reassess'mt @ 5.0%	Cumulative Market Value	Ass'd Value* @ 7.15% of Market (2-yr lag)	< Platted/Developed Lots > Ass'd Value @ 29.00% of Market (2-yr lag)	< Oil & Gas > Ass'd Value* @ 29.00% of Market (2-yr lag)	Total Assessed Value	District DIS Mill Levy (\$1,000 Target) @ 98%	District S.O. Taxes Collected @ 6%	Total Facility Fees Collections	Total Available Revenue
2017	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0
2021	107	0	52,293,937	0	20,101	33,731	53,832	0	72	260,500	261,774
2022	117	3,137,636	112,339,171	0	20,101	0	1,457,636	0	5,228	271,500	363,866
2023	195	12,476,030	207,917,173	3,799,017	0	0	5,294,150	0	18,989	395,100	730,573
2024	201	322,714,990	8,092,251	8,092,251	1,555,134	0	10,592,930	0	37,995	410,100	1,081,340
2025	201	427,084,231	14,866,078	14,866,078	2,687,630	0	17,553,708	0	62,962	410,100	1,522,422
2026	201	25,626,064	568,165,912	23,074,122	2,687,630	0	25,761,752	0	92,402	410,100	2,042,540
2027	201	40,065,100	687,751,671	30,596,523	2,687,630	0	33,224,153	0	119,168	410,100	2,515,408
2028	201	818,574,246	38,990,363	9,042,140	2,687,630	0	42,687,993	0	153,042	410,100	3,113,834
2029	196	928,797,428	47,744,245	7,356,400	2,687,630	0	50,431,875	0	3,014,817	397,600	3,593,307
2030	162	55,727,846	1,075,992,861	58,528,059	4,678,310	0	61,150,279	0	219,334	323,800	4,186,698
2031	109	1,135,337,827	66,409,016	3,525,990	2,133,356	0	68,542,372	0	245,848	216,500	4,565,811
2032	81	68,120,270	1,249,070,537	76,933,490	1,357,000	0	78,290,489	0	280,812	156,300	5,117,318
2033	81	1,295,595,226	81,176,655	3,525,990	1,022,537	0	82,199,192	0	284,832	156,300	5,365,000
2034	81	77,735,714	1,420,786,122	89,308,543	1,022,537	0	90,331,080	0	324,000	156,300	5,880,292
2035	81	1,469,190,409	92,635,059	3,011,410	1,022,537	0	93,657,596	0	335,931	156,300	6,091,082
2036	70	88,151,425	1,599,508,844	101,586,208	1,022,537	0	102,608,745	0	368,037	128,800	6,630,788
2037	66	1,639,846,860	105,047,114	2,824,290	873,309	0	105,920,423	0	379,915	118,800	6,630,638
2038	66	98,390,800	1,776,352,032	114,394,882	819,044	0	115,183,926	0	413,142	118,800	7,417,637
2039	58	1,815,270,530	117,249,036	880,360	819,044	0	118,068,080	0	423,487	100,200	7,581,796
2040	21	108,916,256	1,937,530,506	127,225,815	700,414	0	127,926,229	0	458,846	31,500	8,137,776
2041	15	1,945,326,882	128,791,872	504,300	255,304	0	130,047,176	0	466,453	16,500	8,257,173
2042	15	116,719,613	2,089,998,798	138,533,431	146,247	0	138,679,678	0	497,416	16,500	8,804,187
2043	15	2,078,110,147	138,090,872	0	146,247	0	139,237,119	0	499,416	16,500	8,839,511
2044	0	124,686,609	2,202,796,756	148,004,914	0	0	148,151,161	0	531,389	0	9,387,865
2045	0	2,202,796,756	148,584,875	0	0	0	148,584,875	0	532,944	0	9,415,348
2046	0	132,167,805	2,334,964,561	157,499,968	0	0	157,499,968	0	564,921	0	9,980,269
2047	0	2,334,964,561	157,499,968	0	0	0	157,499,968	0	564,921	0	9,980,269
2048	0	140,097,874	2,475,062,435	166,949,966	0	0	166,949,966	0	598,816	0	10,579,085
2049	0	2,475,062,435	166,949,966	0	0	0	166,949,966	0	598,816	0	10,579,085
2050	0	148,503,746	2,623,566,181	176,966,964	0	0	176,966,964	0	634,745	0	11,213,830
2051	0	2,623,566,181	176,966,964	0	0	0	176,966,964	0	634,745	0	11,213,830
2052	0	157,413,971	2,780,980,151	187,584,982	0	0	187,584,982	0	672,830	0	11,886,660
2053	0	2,780,980,151	187,584,982	0	0	0	187,584,982	0	672,830	0	11,886,660
2054	0	166,658,809	2,947,838,961	198,840,081	0	0	198,840,081	0	713,200	0	12,599,860
2055	0	2,947,838,961	198,840,081	0	0	0	198,840,081	0	713,200	0	12,599,860
2056	0	176,870,338	3,124,709,298	210,770,486	0	0	210,770,486	0	755,992	0	13,355,851
2057	0	3,124,709,298	210,770,486	0	0	0	210,770,486	0	755,992	0	13,355,851
2058	0	187,482,558	3,312,191,656	223,416,715	0	0	223,416,715	0	801,351	0	14,157,202
2059	0	3,312,191,656	223,416,715	0	0	0	223,416,715	0	801,351	0	14,157,202
2060	0	198,731,511	3,510,923,367	236,821,718	0	0	236,821,718	0	849,432	0	15,006,634
2,541	2,127,877,963						287,923,345		17,275,761	5,085,300	310,293,406

[*] Assumes zero 2020 forward

[*] BAR @ 7.20% in '16, Assumes 7.15% thereafter



KINSTON METROPOLITAN DISTRICT

Development Projection at 61,000 (target) Mills for Debt Service - SERVICE PLAN

Series 2030, G.O. Bonds, P&C Refg. of (proposed) Series 2020 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Ser. 2020 \$71,135,000 Par (Net \$52,049 MM)	Ser. 2030 \$154,045,000 Par (Net \$78,238 MM)	Total Net Debt Service	Funds on Hand* Used as Source	Annual Surplus	Surplus Release @ to \$15,404,500	Cumulative Surplus to \$15,404,500 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ Target	Cov. of Net DS: @ Cap
2017	0					n/a						
2018	0					n/a						
2019	0					n/a						
2020	1,274	\$0		\$0		1,274	0	6,594,274	4800%	55%	0.0%	0.0%
2021	261,774	0		0		261,774	0	6,856,047	1344%	33%	0.0%	0.0%
2022	363,866	0		0		363,866	0	7,219,913	672%	21%	0.0%	0.0%
2023	730,573	0		0		730,573	0	7,950,487	405%	16%	30.4%	30.4%
2024	1,081,340	3,556,750		3,556,750		(2,475,410)	0	5,475,077	276%	13%	42.8%	42.8%
2025	1,522,422	3,556,750		3,556,750		(2,034,328)	0	3,440,749	214%	11%	57.4%	57.4%
2026	2,042,540	3,556,750		3,556,750		(1,514,210)	0	1,926,539	167%	9%	70.7%	70.7%
2027	2,615,408	3,556,750		3,556,750		(1,041,342)	0	885,197	141%	8%	87.5%	87.5%
2028	3,113,834	3,556,750		3,556,750		(442,916)	0	442,281	116%	7%	101.0%	101.0%
2029	3,593,307	3,556,750		3,556,750		36,557	0	478,838	329%	20%	118.0%	118.0%
2030	4,198,698	3,556,750		3,556,750	1,120,000	(478,052)	0	785	187%	12%	296.0%	296.0%
2031	4,559,811		\$0			3,019,381	0	3,020,146	187%	12%	83.0%	83.0%
2032	5,117,318		1,540,450	1,540,450		(1,044,482)	0	1,975,664	171%	11%	87.1%	87.1%
2033	5,365,000		6,161,800	6,161,800		(796,800)	0	1,178,863	164%	10%	95.4%	95.4%
2034	5,880,292		6,161,800	6,161,800		(281,508)	0	897,355	150%	10%	98.9%	98.9%
2035	6,091,082		6,161,800	6,161,800		(70,716)	0	826,637	145%	9%	102.0%	102.0%
2036	6,630,788		6,501,800	6,501,800		128,988	0	955,625	133%	9%	101.8%	101.8%
2037	6,830,638		6,708,200	6,708,200		122,438	0	1,078,063	125%	8%	101.7%	101.7%
2038	7,417,637		7,295,800	7,295,800		121,837	0	1,199,900	118%	8%	101.4%	101.4%
2039	7,581,796		7,479,000	7,479,000		102,796	0	1,302,696	105%	7%	100.2%	100.2%
2040	8,137,776		8,103,000	8,103,000		34,776	0	1,337,472	103%	7%	100.2%	100.2%
2041	8,257,173		8,239,800	8,239,800		17,373	0	1,354,846	95%	6%	100.0%	100.0%
2042	8,804,187		8,782,800	8,782,800		21,387	0	1,376,233	84%	6%	100.0%	100.0%
2043	8,839,511		8,820,400	8,820,400		19,111	0	1,395,344	81%	5%	100.0%	100.0%
2044	9,387,865		9,366,800	9,366,800		1,065	0	1,396,409	74%	5%	100.0%	100.0%
2045	9,415,348		9,410,600	9,410,600		4,748	0	1,401,157	70%	4%	100.0%	100.0%
2046	9,980,269		9,977,400	9,977,400		2,869	0	1,404,026	63%	4%	100.0%	100.0%
2047	10,579,085		10,575,400	10,575,400		85	0	1,404,095	59%	4%	100.0%	100.0%
2048	10,579,085		10,575,400	10,575,400		3,685	0	1,407,780	52%	4%	100.0%	100.0%
2049	10,579,085		10,575,400	10,575,400		85	0	1,407,865	48%	3%	100.0%	100.0%
2050	11,213,830		11,213,400	11,213,400		430	0	1,408,295	41%	3%	100.0%	100.0%
2051	11,213,830		11,213,000	11,213,000		830	0	1,409,125	36%	2%	100.0%	100.0%
2052	11,896,860		11,881,800	11,881,800		4,860	0	1,413,965	30%	2%	100.0%	100.0%
2053	11,896,860		11,882,600	11,882,600		4,060	0	1,418,045	24%	1%	100.0%	100.0%
2054	12,599,860		12,595,600	12,595,600		4,260	0	1,422,305	18%	1%	100.0%	100.0%
2055	12,599,860		12,596,800	12,596,800		3,060	0	1,425,365	12%	0%	100.0%	100.0%
2056	13,355,851		13,353,000	13,353,000		2,851	0	1,428,216	6%	0%	100.0%	100.0%
2057	13,355,851		13,353,400	13,353,400		2,451	0	1,430,667	0%	0%	100.0%	100.0%
2058	14,157,202		14,156,400	14,156,400		802	0	1,431,469	0%	0%	100.0%	100.0%
2059	14,157,202		14,154,200	14,154,200		3,002	0	1,434,472	0%	0%	100.0%	100.0%
2060	15,006,634		15,002,000	15,002,000		4,634	1,439,106	0	0%	0%	100.0%	100.0%
310,293,406		24,897,250	289,430,050	314,327,300	1,120,000	(5,153,894)	1,439,106	0				

(*) Estimated balance (tbd)

[*] Assumes \$6,593M Deposit @ closing (tbd)

[*] August 19, 2020 (nfi)

[*] August 19, 2020 (nfi)

D.A. Davidson & Co.
member SIPC

Prepared by D.A. Davidson & Co.
Draft: For discussion purposes only.



KINSTON METROPOLITAN DISTRICT
Development Summary
Development Projection - Full Growth Buildout Plan (updated 8/5/19)

Residential Development

Product Type (Base \$ (19))

3-Story Stacked Flats	Backyard Alley Paired	Condo	Detached Cluster/Pack	Mansion Paired	Row TH	SFD 3 Story Alley (Cottage)	SFD 35'	SFD 40'	SFD 40' Patio	SFD 50'	SFD 50' Patio	SFD 60'	SFD Backyard Alley
\$136,200	\$407,800	\$137,300	\$405,150	\$487,900	\$178,500	\$421,100	\$485,600	\$530,100	\$538,200	\$614,800	\$610,100	\$729,500	\$451,100

2019	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	5	-	-	18	-	-	15	-	-	-	-	12	107
2022	15	-	-	18	-	-	15	-	-	-	-	12	117
2023	15	-	-	18	-	-	15	-	-	-	-	12	117
2024	15	18	18	18	15	15	15	15	12	15	12	12	185
2025	15	18	18	18	15	15	15	15	12	15	12	12	201
2026	15	18	18	18	15	15	15	15	12	15	12	12	201
2027	15	18	18	18	15	15	15	15	12	15	12	12	201
2028	15	18	18	18	15	15	15	15	12	15	12	12	201
2029	15	18	18	18	15	15	15	15	12	15	12	12	201
2030	15	18	18	18	15	15	15	15	12	15	12	12	201
2031	15	18	18	18	15	15	15	15	12	15	12	12	201
2032	15	18	18	18	15	15	15	15	12	15	12	12	201
2033	15	18	18	18	15	15	15	15	12	15	12	12	201
2034	15	18	18	18	15	15	15	15	12	15	12	12	201
2035	15	18	18	18	15	15	15	15	12	15	12	12	201
2036	15	18	18	18	15	15	15	15	12	15	12	12	201
2037	15	18	18	18	15	15	15	15	12	15	12	12	201
2038	15	18	18	18	15	15	15	15	12	15	12	12	201
2039	15	18	18	18	15	15	15	15	12	15	12	12	201
2040	15	18	18	18	15	15	15	15	12	15	12	12	201
2041	15	18	18	18	15	15	15	15	12	15	12	12	201
2042	15	18	18	18	15	15	15	15	12	15	12	12	201
2043	15	18	18	18	15	15	15	15	12	15	12	12	201
2044	15	18	18	18	15	15	15	15	12	15	12	12	201
2045	15	18	18	18	15	15	15	15	12	15	12	12	201
2046	15	18	18	18	15	15	15	15	12	15	12	12	201
Rec'd Totals	335	136	305	198	225	127	144	99	221	119	112	100	2,541

MV @ Full Buildout
(base prices; un-infl.)

\$112,827,000	\$55,460,800	\$102,876,500	\$80,219,700	\$107,126,200	\$48,082,200	\$120,855,700	\$71,366,400	\$52,479,900	\$116,500,200	\$72,546,400	\$68,331,200	\$72,960,000	\$59,845,000
---------------	--------------	---------------	--------------	---------------	--------------	---------------	--------------	--------------	---------------	--------------	--------------	--------------	--------------

\$1,142,075,200

NOTES:
Platted/Dev Lots = 10% MV, one-yr prior
Base MV \$ limited 2.00% per annum
Res'l Pac. Fees = \$2,500/SFD, \$1,100/SFA or MF

KINSTON METROPOLITAN DISTRICT

Development Projection -- Full Growth Buildout Plan (updated 8/5/19)

YEAR	Mansion Paired						Row TH						SFD 3 Story Alley (Cottage)						SFD 35'					
	# Lots Devel'd	Incr/(Deer) In Finished Lot Value @ 10%	# Units Completed 229 target	Price Initiated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Deer) In Finished Lot Value @ 10%	# Units Completed 127 target	Price Initiated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Deer) In Finished Lot Value @ 10%	# Units Completed 287 target	Price Initiated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Deer) In Finished Lot Value @ 10%	# Units Completed 144 target	Price Initiated @ 2.0%	Market Value				
2017	0	0	0	\$467,800	0	0	0	0	\$378,600	0	0	0	0	\$421,100	0	0	0	0	\$495,600	0	0			
2018	0	0	0	467,800	0	0	0	0	378,600	0	0	0	0	421,100	0	0	0	0	495,600	0	0			
2019	0	0	0	467,800	0	0	0	0	378,600	0	0	0	0	421,100	0	0	0	0	495,600	0	0			
2020	15	701,700	0	477,156	7,300,487	0	0	0	386,172	0	15	631,650	0	429,522	6,571,687	15	743,400	0	505,512	7,734,334	0			
2021	15	0	15	486,699	7,300,487	0	0	0	393,895	0	15	0	15	438,112	6,571,687	15	0	15	515,622	7,734,334	0			
2022	15	0	15	496,433	7,446,497	15	567,900	0	401,773	0	15	0	15	446,875	6,703,120	15	0	15	525,935	7,889,020	0			
2023	15	0	15	506,362	7,595,426	15	0	15	409,809	6,147,132	15	0	15	455,612	6,837,183	15	0	15	536,453	8,046,801	0			
2024	15	0	15	516,489	7,747,335	15	0	15	418,005	6,270,075	15	0	15	464,928	6,973,926	15	0	15	547,182	8,207,737	0			
2025	15	0	15	526,818	7,902,282	15	0	15	426,365	6,395,476	15	0	15	474,227	7,113,405	15	0	15	568,126	8,371,891	0			
2026	15	0	15	537,355	8,060,327	15	0	15	434,892	6,523,386	15	0	15	483,712	7,255,673	15	0	15	569,289	8,539,329	0			
2027	15	0	15	548,102	8,221,534	15	0	15	443,590	6,653,854	15	0	15	493,386	7,400,786	15	0	15	580,674	8,710,116	0			
2028	15	0	15	559,084	8,385,965	15	0	15	452,462	6,786,931	15	0	15	503,253	7,548,802	15	0	15	592,288	8,864,318	0			
2029	15	0	15	570,246	8,553,684	15	0	15	461,511	6,922,669	15	0	15	513,319	7,699,778	9	(297,360)	15	604,134	9,062,005	0			
2030	15	0	15	581,651	8,724,758	7	(302,880)	15	470,742	7,081,123	15	0	15	523,585	7,853,774	0	(446,040)	9	616,216	5,545,947	0			
2031	15	0	15	593,284	8,899,253	0	(265,020)	7	480,156	3,361,094	15	0	15	534,057	8,010,849	0	0	0	628,541	0	0			
2032	15	0	15	605,149	9,077,238	0	0	0	489,759	0	15	0	15	544,738	8,171,066	0	0	0	641,111	0	0			
2033	15	0	15	617,252	9,258,782	0	0	0	499,555	0	15	0	15	555,633	8,334,488	0	0	0	653,934	0	0			
2034	15	0	15	629,597	9,443,958	0	0	0	509,546	0	15	0	15	566,745	8,501,177	0	0	0	667,012	0	0			
2035	4	(514,580)	15	642,189	9,632,837	0	0	0	519,737	0	15	0	15	578,080	8,671,201	0	0	0	680,353	0	0			
2036	0	(187,120)	4	655,033	2,620,132	0	0	0	530,131	0	15	0	15	589,642	8,844,825	0	0	0	693,960	0	0			
2037	0	0	0	668,134	0	0	0	0	540,734	0	15	0	15	601,434	9,021,517	0	0	0	707,839	0	0			
2038	0	0	0	681,496	0	0	0	0	551,549	0	15	0	15	613,463	9,201,948	0	0	0	721,996	0	0			
2039	0	0	0	695,126	0	0	0	0	562,980	0	2	(547,430)	15	625,732	9,385,987	0	0	0	736,436	0	0			
2040	0	0	0	709,029	0	0	0	0	573,831	0	0	(84,220)	2	638,247	1,276,494	0	0	0	751,164	0	0			
2041	0	0	0	723,209	0	0	0	0	585,308	0	0	0	0	651,012	0	0	0	0	766,188	0	0			
2042	0	0	0	737,673	0	0	0	0	597,014	0	0	0	0	664,032	0	0	0	0	781,511	0	0			
2043	0	0	0	752,427	0	0	0	0	608,954	0	0	0	0	677,313	0	0	0	0	797,142	0	0			
2044	0	0	0	767,475	0	0	0	0	621,133	0	0	0	0	690,859	0	0	0	0	813,084	0	0			
2045	0	0	0	782,825	0	0	0	0	633,556	0	0	0	0	704,676	0	0	0	0	829,346	0	0			
2046	0	0	0	798,481	0	0	0	0	646,227	0	0	0	0	718,770	0	0	0	0	845,933	0	0			
	229	0	229		128,870,494	127	0	127		56,121,740	287	0	287		151,377,487	144	0	144		80,991,497				

KINSTON METROPOLITAN DISTRICT

Development Projection -- Full Growth Buildout Plan (updated 8/5/19)

YEAR	SFD 40'					SFD 40' Patio					SFD 50'					SFD 50' Patio				
	# Lots Devel'd	Incr/(Decl) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Decl) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Decl) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Decl) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2.0%	Market Value
2017	0	0	0	\$530,100	0	0	0	0	\$536,200	0	0	0	0	\$614,800	\$0	0	0	0	\$610,100	\$0
2018	0	0	0	530,100	0	0	0	0	536,200	0	0	0	0	614,800	0	0	0	0	610,100	0
2019	0	0	0	530,100	0	0	0	0	536,200	0	0	0	0	614,800	0	0	0	0	610,100	0
2020	0	0	0	540,702	0	12	643,440	0	546,924	6,694,350	0	0	0	627,096	732,120	12	732,120	0	622,302	0
2021	0	0	0	551,516	0	12	0	12	557,862	6,694,350	0	0	0	639,638	0	12	0	12	634,748	7,616,976
2022	12	636,120	0	562,546	0	12	0	12	569,020	6,828,237	15	922,200	0	652,431	0	12	0	12	647,443	7,769,316
2023	12	0	12	573,797	6,885,587	12	0	12	580,400	6,964,801	15	0	15	665,479	9,982,189	12	0	12	660,392	7,924,702
2024	12	0	12	585,273	7,023,278	12	0	12	592,008	7,104,098	15	0	15	678,789	10,181,833	12	0	12	673,600	8,083,196
2025	12	0	12	596,979	7,163,744	12	0	12	603,848	7,246,179	15	0	15	692,365	10,385,470	12	0	12	687,072	8,244,860
2026	12	0	12	608,918	7,307,019	12	0	12	615,925	7,391,103	15	0	15	706,212	10,593,179	12	0	12	700,813	8,409,758
2027	12	0	12	621,097	7,453,160	12	0	12	628,244	7,538,925	15	0	15	720,336	10,805,043	12	0	12	714,829	8,577,953
2028	12	0	12	633,519	7,602,223	12	0	12	640,809	7,689,704	15	0	15	734,743	11,021,144	12	0	12	729,126	8,749,512
2029	12	0	12	646,189	7,754,267	12	0	12	653,625	7,843,498	13	(122,960)	15	749,438	11,241,567	4	(488,080)	12	743,708	8,924,502
2030	3	(477,080)	12	659,113	7,908,353	12	0	12	666,697	8,000,368	13	(799,240)	13	764,427	9,937,545	0	(244,040)	4	758,583	3,034,331
2031	0	(159,030)	3	672,295	2,016,885	12	0	12	680,031	8,160,375	0	0	0	779,715	0	0	0	0	773,754	0
2032	0	0	0	685,741	0	12	0	12	693,632	8,323,583	0	0	0	795,309	0	0	0	0	789,229	0
2033	0	0	0	699,456	0	12	0	12	707,505	8,490,054	0	0	0	811,216	0	0	0	0	805,014	0
2034	0	0	0	713,445	0	12	0	12	721,655	8,659,855	0	0	0	827,440	0	0	0	0	821,114	0
2035	0	0	0	727,714	0	12	0	12	736,088	8,833,052	0	0	0	843,989	0	0	0	0	837,537	0
2036	0	0	0	742,268	0	12	0	12	750,809	9,009,713	0	0	0	860,868	0	0	0	0	854,287	0
2037	0	0	0	757,113	0	12	0	12	765,826	9,189,908	0	0	0	878,066	0	0	0	0	871,373	0
2038	0	0	0	772,296	0	5	(375,340)	12	781,142	9,373,706	0	0	0	895,648	0	0	0	0	888,800	0
2039	0	0	0	787,701	0	5	(288,100)	5	796,765	3,983,825	0	0	0	913,560	0	0	0	0	906,577	0
2040	0	0	0	803,455	0	0	0	0	812,700	0	0	0	0	931,832	0	0	0	0	924,708	0
2041	0	0	0	819,524	0	0	0	0	828,954	0	0	0	0	950,468	0	0	0	0	943,202	0
2042	0	0	0	835,914	0	0	0	0	845,533	0	0	0	0	969,478	0	0	0	0	962,066	0
2043	0	0	0	852,633	0	0	0	0	862,444	0	0	0	0	988,867	0	0	0	0	981,308	0
2044	0	0	0	869,685	0	0	0	0	879,693	0	0	0	0	1,008,645	0	0	0	0	1,000,934	0
2045	0	0	0	887,079	0	0	0	0	897,287	0	0	0	0	1,028,817	0	0	0	0	1,020,952	0
2046	0	0	0	904,821	0	0	0	0	915,233	0	0	0	0	1,046,394	0	0	0	0	1,041,371	0
	99	0	99		61,115,497	221	0	221		147,325,333	118	0	118		84,147,969	112	0	112		77,335,106

KINSTON METROPOLITAN DISTRICT

Development Projection -- Full Growth Buildout Plan (updated 8/5/19)

YEAR	SFD 60'					SFD Backward Alley				
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed 100 target	Price Inflated @ 2.0%	Market Value	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed 130 target	Price Inflated @ 2.0%	Market Value
2017	0	0	0	\$729,600	\$0	0	0	0	\$451,100	\$0
2018	0	0	0	729,600	0	0	0	0	451,100	0
2019	0	0	0	729,600	0	0	0	0	451,100	0
2020	0	0	0	744,192	0	15	675,650	15	460,122	0
2021	0	0	0	759,076	0	15	0	15	469,324	7,039,867
2022	0	0	0	774,257	0	15	0	15	478,711	7,180,664
2023	6	437,760	6	789,743	4,833,224	15	0	15	488,285	7,324,277
2024	6	0	6	805,537	4,833,224	15	0	15	498,051	7,470,763
2025	6	0	6	821,648	4,929,889	15	0	15	508,012	7,620,178
2026	6	0	6	838,081	5,028,486	15	0	15	518,172	7,772,592
2027	6	0	6	854,843	5,129,056	15	0	15	528,536	7,928,033
2028	6	0	6	871,940	5,231,637	10	(225,560)	15	539,106	8,086,594
2029	6	0	6	889,378	5,336,270	0	(451,100)	10	549,888	5,498,884
2030	6	0	6	907,166	5,442,995	0	0	0	560,886	0
2031	6	0	6	925,309	5,551,855	0	0	0	572,104	0
2032	6	0	6	943,815	5,662,892	0	0	0	583,546	0
2033	6	0	6	962,692	5,776,150	0	0	0	595,217	0
2034	6	0	6	981,946	5,891,673	0	0	0	607,121	0
2035	6	0	6	1,001,584	6,009,507	0	0	0	619,264	0
2036	6	0	6	1,021,616	6,129,697	0	0	0	631,649	0
2037	6	0	6	1,042,048	6,252,291	0	0	0	644,282	0
2038	6	0	6	1,062,889	6,377,337	0	0	0	657,168	0
2039	4	(145,920)	6	1,084,147	6,504,883	0	0	0	670,311	0
2040	0	(291,840)	4	1,105,630	4,423,321	0	0	0	683,717	0
2041	0	0	0	1,127,947	0	0	0	0	697,391	0
2042	0	0	0	1,150,506	0	0	0	0	711,339	0
2043	0	0	0	1,173,516	0	0	0	0	725,566	0
2044	0	0	0	1,196,986	0	0	0	0	740,077	0
2045	0	0	0	1,220,926	0	0	0	0	754,879	0
2046	0	0	0	1,245,344	0	0	0	0	769,976	0
	100	0	100		94,511,164	130	0	130		65,921,841

Residential Summary

YEAR	Total Residential Market Value	Total SFD Units	Total SFA Units	Total Res ¹ Units	Total Facility Fees @ \$2,500/unit	Total SFA Facility Fees @ \$1,100/unit	Value of Platted & Developed Lots Adjustment ¹	Adjusted Value
2017	0	0	0	0	0	0	69,314	69,314
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	(69,314)	4,957,016
2021	52,293,937	102	5	107	255,000	5,500	0	336,200
2022	56,907,597	102	15	117	255,000	16,500	0	3,467,400
2023	95,576,002	129	66	195	322,500	72,600	0	437,760
2024	102,322,766	135	66	201	337,500	72,600	0	0
2025	104,368,242	135	66	201	337,500	72,600	0	0
2026	106,456,627	135	66	201	337,500	72,600	0	0
2027	108,585,759	135	66	201	337,500	72,600	0	0
2028	110,757,474	135	66	201	337,500	72,600	0	0
2029	110,223,182	130	66	196	325,000	72,600	0	(225,550)
2030	91,467,588	104	58	162	260,000	63,800	0	(1,685,740)
2031	59,344,965	69	40	109	172,500	44,000	0	(2,677,090)
2032	45,612,440	48	33	81	120,000	36,300	0	(1,153,320)
2033	46,524,689	48	33	81	120,000	36,300	0	0
2034	47,455,183	48	33	81	120,000	36,300	0	0
2035	48,404,287	48	33	81	120,000	36,300	0	(514,580)
2036	42,167,010	37	33	70	92,500	36,300	0	(187,120)
2037	40,337,816	33	33	66	82,500	36,300	0	0
2038	41,144,572	33	33	66	82,500	36,300	0	(409,070)
2039	35,866,699	26	32	58	65,000	35,200	0	(1,534,860)
2040	13,343,320	6	15	21	15,000	16,500	0	(376,060)
2041	7,796,375	0	15	15	0	16,500	0	0
2042	7,952,303	0	15	15	0	16,500	0	0
2043	8,111,349	0	15	15	0	16,500	0	(504,300)
2044	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0
	1,383,045,404	1,638	903	2,541	4,095,000	993,300	0	0

[1] Adj. to actual/prelim. AV



SOURCES AND USES OF FUNDS

KINSTON METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2020 61.000 (target) Mills

Non-Rated, 130x @ target, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date 12/01/2020
Delivery Date 12/01/2020

Sources:

Bond Proceeds:	
Par Amount	71,135,000.00
	71,135,000.00

Uses:

Project Fund Deposits:	
Project Fund	52,049,050.00
Other Fund Deposits:	
Capitalized Interest Fund	10,670,250.00
Cost of Issuance:	
Other Cost of Issuance	400,000.00
Delivery Date Expenses:	
Underwriter's Discount	1,422,700.00
Other Uses of Funds:	
Deposit to Surplus Fund (New)	6,593,000.00
	71,135,000.00



BOND SUMMARY STATISTICS

KINSTON METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2020

61.000 (target) Mills

Non-Rated, 130x @ target, 30-yr. Maturity

(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

[Preliminary -- for discussion only]

Dated Date	12/01/2020
Delivery Date	12/01/2020
First Coupon	06/01/2021
Last Maturity	12/01/2050

Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.146146%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.188008%
Average Coupon	5.000000%

Average Life (years)	24.489
Weighted Average Maturity (years)	24.489
Duration of Issue (years)	14.118

Par Amount	71,135,000.00
Bond Proceeds	71,135,000.00
Total Interest	87,100,500.00
Net Interest	88,523,200.00
Bond Years from Dated Date	1,742,010,000.00
Bond Years from Delivery Date	1,742,010,000.00
Total Debt Service	158,235,500.00
Maximum Annual Debt Service	8,625,750.00
Average Annual Debt Service	5,274,516.67

Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000

Total Underwriter's Discount	20.000000
------------------------------	-----------

Bid Price	98.000000
-----------	-----------

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2050	71,135,000.00	100.000	5.000%	24.489	05/28/2045	110,259.25
	71,135,000.00			24.489		110,259.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	71,135,000.00	71,135,000.00	71,135,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,422,700.00	-1,422,700.00	
- Cost of Issuance Expense		-400,000.00	
- Other Amounts			
Target Value	69,712,300.00	69,312,300.00	71,135,000.00
Target Date	12/01/2020	12/01/2020	12/01/2020
Yield	5.146146%	5.188008%	5.000000%



BOND DEBT SERVICE

KINSTON METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2020 61.000 (target) Mills

Non-Rated, 130x @ target, 30-yr. Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			1,778,375	1,778,375	
12/01/2021			1,778,375	1,778,375	3,556,750
06/01/2022			1,778,375	1,778,375	
12/01/2022			1,778,375	1,778,375	3,556,750
06/01/2023			1,778,375	1,778,375	
12/01/2023			1,778,375	1,778,375	3,556,750
06/01/2024			1,778,375	1,778,375	
12/01/2024			1,778,375	1,778,375	3,556,750
06/01/2025			1,778,375	1,778,375	
12/01/2025			1,778,375	1,778,375	3,556,750
06/01/2026			1,778,375	1,778,375	
12/01/2026			1,778,375	1,778,375	3,556,750
06/01/2027			1,778,375	1,778,375	
12/01/2027			1,778,375	1,778,375	3,556,750
06/01/2028			1,778,375	1,778,375	
12/01/2028			1,778,375	1,778,375	3,556,750
06/01/2029			1,778,375	1,778,375	
12/01/2029			1,778,375	1,778,375	3,556,750
06/01/2030			1,778,375	1,778,375	
12/01/2030			1,778,375	1,778,375	3,556,750
06/01/2031			1,778,375	1,778,375	
12/01/2031			1,778,375	1,778,375	3,556,750
06/01/2032			1,778,375	1,778,375	
12/01/2032	255,000	5.000%	1,778,375	2,033,375	3,811,750
06/01/2033			1,772,000	1,772,000	
12/01/2033	460,000	5.000%	1,772,000	2,232,000	4,004,000
06/01/2034			1,760,500	1,760,500	
12/01/2034	880,000	5.000%	1,760,500	2,640,500	4,401,000
06/01/2035			1,738,500	1,738,500	
12/01/2035	1,085,000	5.000%	1,738,500	2,823,500	4,562,000
06/01/2036			1,711,375	1,711,375	
12/01/2036	1,575,000	5.000%	1,711,375	3,286,375	4,997,750
06/01/2037			1,672,000	1,672,000	
12/01/2037	1,815,000	5.000%	1,672,000	3,487,000	5,159,000
06/01/2038			1,626,625	1,626,625	
12/01/2038	2,360,000	5.000%	1,626,625	3,986,625	5,613,250
06/01/2039			1,567,625	1,567,625	
12/01/2039	2,615,000	5.000%	1,567,625	4,182,625	5,750,250
06/01/2040			1,502,250	1,502,250	
12/01/2040	3,230,000	5.000%	1,502,250	4,732,250	6,234,500
06/01/2041			1,421,500	1,421,500	
12/01/2041	3,495,000	5.000%	1,421,500	4,916,500	6,338,000
06/01/2042			1,334,125	1,334,125	
12/01/2042	4,090,000	5.000%	1,334,125	5,424,125	6,758,250
06/01/2043			1,231,875	1,231,875	
12/01/2043	4,320,000	5.000%	1,231,875	5,551,875	6,783,750
06/01/2044			1,123,875	1,123,875	
12/01/2044	4,970,000	5.000%	1,123,875	6,093,875	7,217,750
06/01/2045			999,625	999,625	
12/01/2045	5,240,000	5.000%	999,625	6,239,625	7,239,250
06/01/2046			868,625	868,625	
12/01/2046	5,935,000	5.000%	868,625	6,803,625	7,672,250
06/01/2047			720,250	720,250	
12/01/2047	6,235,000	5.000%	720,250	6,955,250	7,675,500
06/01/2048			564,375	564,375	
12/01/2048	7,005,000	5.000%	564,375	7,569,375	8,133,750
06/01/2049			389,250	389,250	
12/01/2049	7,355,000	5.000%	389,250	7,744,250	8,133,500
06/01/2050			205,375	205,375	
12/01/2050	8,215,000	5.000%	205,375	8,420,375	8,625,750
	71,135,000		87,100,500	158,235,500	158,235,500



NET DEBT SERVICE

KINSTON METROPOLITAN DISTRICT
 GENERAL OBLIGATION BONDS, SERIES 2020
 61.000 (target) Mills
 Non-Rated, 130x @ target, 30-yr. Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
12/01/2021		3,556,750	3,556,750	3,556,750	
12/01/2022		3,556,750	3,556,750	3,556,750	
12/01/2023		3,556,750	3,556,750	3,556,750	
12/01/2024		3,556,750	3,556,750		3,556,750
12/01/2025		3,556,750	3,556,750		3,556,750
12/01/2026		3,556,750	3,556,750		3,556,750
12/01/2027		3,556,750	3,556,750		3,556,750
12/01/2028		3,556,750	3,556,750		3,556,750
12/01/2029		3,556,750	3,556,750		3,556,750
12/01/2030		3,556,750	3,556,750		3,556,750
12/01/2031		3,556,750	3,556,750		3,556,750
12/01/2032	255,000	3,556,750	3,811,750		3,811,750
12/01/2033	460,000	3,544,000	4,004,000		4,004,000
12/01/2034	880,000	3,521,000	4,401,000		4,401,000
12/01/2035	1,085,000	3,477,000	4,562,000		4,562,000
12/01/2036	1,575,000	3,422,750	4,997,750		4,997,750
12/01/2037	1,815,000	3,344,000	5,159,000		5,159,000
12/01/2038	2,360,000	3,253,250	5,613,250		5,613,250
12/01/2039	2,615,000	3,135,250	5,750,250		5,750,250
12/01/2040	3,230,000	3,004,500	6,234,500		6,234,500
12/01/2041	3,495,000	2,843,000	6,338,000		6,338,000
12/01/2042	4,090,000	2,668,250	6,758,250		6,758,250
12/01/2043	4,320,000	2,463,750	6,783,750		6,783,750
12/01/2044	4,970,000	2,247,750	7,217,750		7,217,750
12/01/2045	5,240,000	1,999,250	7,239,250		7,239,250
12/01/2046	5,935,000	1,737,250	7,672,250		7,672,250
12/01/2047	6,235,000	1,440,500	7,675,500		7,675,500
12/01/2048	7,005,000	1,128,750	8,133,750		8,133,750
12/01/2049	7,355,000	778,500	8,133,500		8,133,500
12/01/2050	8,215,000	410,750	8,625,750		8,625,750
	71,135,000	87,100,500	158,235,500	10,670,250	147,565,250



BOND SOLUTION

KINSTON METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2020 61.000 (target) Mills

Non-Rated, 130x @ target, 30-yr. Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2021		3,556,750	-3,556,750		1,274	1,274	
12/01/2022		3,556,750	-3,556,750		92,366	92,366	
12/01/2023		3,556,750	-3,556,750		335,473	335,473	
12/01/2024		3,556,750		3,556,750	671,240	-2,885,510	18.87229%
12/01/2025		3,556,750		3,556,750	1,112,322	-2,444,428	31.27356%
12/01/2026		3,556,750		3,556,750	1,632,440	-1,924,310	45.89695%
12/01/2027		3,556,750		3,556,750	2,105,308	-1,451,442	59.19191%
12/01/2028		3,556,750		3,556,750	2,703,734	-853,016	76.01699%
12/01/2029		3,556,750		3,556,750	3,195,707	-361,043	89.84906%
12/01/2030		3,556,750		3,556,750	3,874,898	318,148	108.94489%
12/01/2031		3,556,750		3,556,750	4,343,311	786,561	122.11459%
12/01/2032	255,000	3,811,750		3,811,750	4,961,018	1,149,268	130.15066%
12/01/2033	460,000	4,004,000		4,004,000	5,208,700	1,204,700	130.08741%
12/01/2034	880,000	4,401,000		4,401,000	5,723,992	1,322,992	130.06116%
12/01/2035	1,085,000	4,562,000		4,562,000	5,934,782	1,372,782	130.09167%
12/01/2036	1,575,000	4,997,750		4,997,750	6,501,988	1,504,238	130.09830%
12/01/2037	1,815,000	5,159,000		5,159,000	6,711,838	1,552,838	130.09960%
12/01/2038	2,360,000	5,613,250		5,613,250	7,298,837	1,685,587	130.02871%
12/01/2039	2,615,000	5,750,250		5,750,250	7,481,596	1,731,346	130.10906%
12/01/2040	3,230,000	6,234,500		6,234,500	8,106,276	1,871,776	130.02287%
12/01/2041	3,495,000	6,338,000		6,338,000	8,240,673	1,902,673	130.02009%
12/01/2042	4,090,000	6,758,250		6,758,250	8,787,687	2,029,437	130.02904%
12/01/2043	4,320,000	6,783,750		6,783,750	8,823,011	2,039,261	130.06096%
12/01/2044	4,970,000	7,217,750		7,217,750	9,387,865	2,170,115	130.06636%
12/01/2045	5,240,000	7,239,250		7,239,250	9,415,348	2,176,098	130.05972%
12/01/2046	5,935,000	7,672,250		7,672,250	9,980,269	2,308,019	130.08269%
12/01/2047	6,235,000	7,675,500		7,675,500	9,980,269	2,304,769	130.02761%
12/01/2048	7,005,000	8,133,750		8,133,750	10,579,085	2,445,335	130.06406%
12/01/2049	7,355,000	8,133,500		8,133,500	10,579,085	2,445,585	130.06805%
12/01/2050	8,215,000	8,625,750		8,625,750	11,213,830	2,588,080	130.00412%
	71,135,000	158,235,500	-10,670,250	147,565,250	174,984,221	27,418,971	



SOURCES AND USES OF FUNDS

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
Pay & Cancel Refg. of (proposed) Series 2020 + New Money
61.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Final Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date 12/01/2030
 Delivery Date 12/01/2030

Sources:

Bond Proceeds:	
Par Amount	154,045,000.00
Other Sources of Funds:	
Funds on Hand*	1,120,000.00
	155,165,000.00

Uses:

Project Fund Deposits:	
Project Fund	78,238,425.00
Refunding Escrow Deposits:	
Cash Deposit*	71,135,000.00
Other Fund Deposits:	
Capitalized Interest	4,621,350.00
Cost of Issuance:	
Other Cost of Issuance	400,000.00
Delivery Date Expenses:	
Underwriter's Discount	770,225.00
	155,165,000.00

[*] Estimated balances (tbd)



BOND SUMMARY STATISTICS

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
Pay & Cancel Refg. of (proposed) Series 2020 + New Money
61.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Final Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date	12/01/2030
Delivery Date	12/01/2030
First Coupon	06/01/2031
Last Maturity	12/01/2060
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.034492%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.052499%
Average Coupon	4.000000%
Average Life (years)	22.722
Weighted Average Maturity (years)	22.722
Duration of Issue (years)	14.812
Par Amount	154,045,000.00
Bond Proceeds	154,045,000.00
Total Interest	140,006,400.00
Net Interest	140,776,625.00
Bond Years from Dated Date	3,500,160,000.00
Bond Years from Delivery Date	3,500,160,000.00
Total Debt Service	294,051,400.00
Maximum Annual Debt Service	15,002,000.00
Average Annual Debt Service	9,801,713.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2060	154,045,000.00	100.000	4.000%	22.722	08/21/2053	268,038.30
	154,045,000.00			22.722		268,038.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	154,045,000.00	154,045,000.00	154,045,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-770,225.00	-770,225.00	
- Cost of Issuance Expense		-400,000.00	
- Other Amounts			
Target Value	153,274,775.00	152,874,775.00	154,045,000.00
Target Date	12/01/2030	12/01/2030	12/01/2030
Yield	4.034492%	4.052499%	4.000000%



BOND DEBT SERVICE

**KINSTON METROPOLITAN DISTRICT
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
 Pay & Cancel Refg. of (proposed) Series 2020 + New Money
 61.000 (target) Mills
 Assumes Investment Grade, 100x, 30-yr. Final Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2031			3,080,900	3,080,900	
12/01/2031			3,080,900	3,080,900	6,161,800
06/01/2032			3,080,900	3,080,900	
12/01/2032			3,080,900	3,080,900	6,161,800
06/01/2033			3,080,900	3,080,900	
12/01/2033			3,080,900	3,080,900	6,161,800
06/01/2034			3,080,900	3,080,900	
12/01/2034			3,080,900	3,080,900	6,161,800
06/01/2035			3,080,900	3,080,900	
12/01/2035			3,080,900	3,080,900	6,161,800
06/01/2036			3,080,900	3,080,900	
12/01/2036	340,000	4.000%	3,080,900	3,420,900	6,501,800
06/01/2037			3,074,100	3,074,100	
12/01/2037	560,000	4.000%	3,074,100	3,634,100	6,708,200
06/01/2038			3,062,900	3,062,900	
12/01/2038	1,170,000	4.000%	3,062,900	4,232,900	7,295,800
06/01/2039			3,039,500	3,039,500	
12/01/2039	1,400,000	4.000%	3,039,500	4,439,500	7,479,000
06/01/2040			3,011,500	3,011,500	
12/01/2040	2,080,000	4.000%	3,011,500	5,091,500	8,103,000
06/01/2041			2,969,900	2,969,900	
12/01/2041	2,300,000	4.000%	2,969,900	5,269,900	8,239,800
06/01/2042			2,923,900	2,923,900	
12/01/2042	2,935,000	4.000%	2,923,900	5,858,900	8,782,800
06/01/2043			2,865,200	2,865,200	
12/01/2043	3,090,000	4.000%	2,865,200	5,955,200	8,820,400
06/01/2044			2,803,400	2,803,400	
12/01/2044	3,780,000	4.000%	2,803,400	6,583,400	9,386,800
06/01/2045			2,727,800	2,727,800	
12/01/2045	3,955,000	4.000%	2,727,800	6,682,800	9,410,600
06/01/2046			2,648,700	2,648,700	
12/01/2046	4,680,000	4.000%	2,648,700	7,328,700	9,977,400
06/01/2047			2,555,100	2,555,100	
12/01/2047	4,870,000	4.000%	2,555,100	7,425,100	9,980,200
06/01/2048			2,457,700	2,457,700	
12/01/2048	5,660,000	4.000%	2,457,700	8,117,700	10,575,400
06/01/2049			2,344,500	2,344,500	
12/01/2049	5,890,000	4.000%	2,344,500	8,234,500	10,579,000
06/01/2050			2,226,700	2,226,700	
12/01/2050	6,760,000	4.000%	2,226,700	8,986,700	11,213,400
06/01/2051			2,091,500	2,091,500	
12/01/2051	7,030,000	4.000%	2,091,500	9,121,500	11,213,000
06/01/2052			1,950,900	1,950,900	
12/01/2052	7,980,000	4.000%	1,950,900	9,930,900	11,881,800
06/01/2053			1,791,300	1,791,300	
12/01/2053	8,300,000	4.000%	1,791,300	10,091,300	11,882,600
06/01/2054			1,625,300	1,625,300	
12/01/2054	9,345,000	4.000%	1,625,300	10,970,300	12,595,600
06/01/2055			1,438,400	1,438,400	
12/01/2055	9,720,000	4.000%	1,438,400	11,158,400	12,596,800
06/01/2056			1,244,000	1,244,000	
12/01/2056	10,865,000	4.000%	1,244,000	12,109,000	13,353,000
06/01/2057			1,026,700	1,026,700	
12/01/2057	11,300,000	4.000%	1,026,700	12,326,700	13,353,400
06/01/2058			800,700	800,700	
12/01/2058	12,555,000	4.000%	800,700	13,355,700	14,156,400
06/01/2059			549,600	549,600	
12/01/2059	13,055,000	4.000%	549,600	13,604,600	14,154,200
06/01/2060			288,500	288,500	
12/01/2060	14,425,000	4.000%	288,500	14,713,500	15,002,000
154,045,000			140,006,400	294,051,400	294,051,400



NET DEBT SERVICE

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
Pay & Cancel Refg. of (proposed) Series 2020 + New Money
61.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Final Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest	Net Debt Service
12/01/2031		6,161,800	6,161,800	4,621,350	1,540,450
12/01/2032		6,161,800	6,161,800		6,161,800
12/01/2033		6,161,800	6,161,800		6,161,800
12/01/2034		6,161,800	6,161,800		6,161,800
12/01/2035		6,161,800	6,161,800		6,161,800
12/01/2036	340,000	6,161,800	6,501,800		6,501,800
12/01/2037	560,000	6,148,200	6,708,200		6,708,200
12/01/2038	1,170,000	6,125,800	7,295,800		7,295,800
12/01/2039	1,400,000	6,079,000	7,479,000		7,479,000
12/01/2040	2,080,000	6,023,000	8,103,000		8,103,000
12/01/2041	2,300,000	5,939,800	8,239,800		8,239,800
12/01/2042	2,935,000	5,847,800	8,782,800		8,782,800
12/01/2043	3,090,000	5,730,400	8,820,400		8,820,400
12/01/2044	3,780,000	5,606,800	9,386,800		9,386,800
12/01/2045	3,955,000	5,455,600	9,410,600		9,410,600
12/01/2046	4,680,000	5,297,400	9,977,400		9,977,400
12/01/2047	4,870,000	5,110,200	9,980,200		9,980,200
12/01/2048	5,660,000	4,915,400	10,575,400		10,575,400
12/01/2049	5,890,000	4,689,000	10,579,000		10,579,000
12/01/2050	6,760,000	4,453,400	11,213,400		11,213,400
12/01/2051	7,030,000	4,183,000	11,213,000		11,213,000
12/01/2052	7,980,000	3,901,800	11,881,800		11,881,800
12/01/2053	8,300,000	3,582,600	11,882,600		11,882,600
12/01/2054	9,345,000	3,250,600	12,595,600		12,595,600
12/01/2055	9,720,000	2,876,800	12,596,800		12,596,800
12/01/2056	10,865,000	2,488,000	13,353,000		13,353,000
12/01/2057	11,300,000	2,053,400	13,353,400		13,353,400
12/01/2058	12,555,000	1,601,400	14,156,400		14,156,400
12/01/2059	13,055,000	1,099,200	14,154,200		14,154,200
12/01/2060	14,425,000	577,000	15,002,000		15,002,000
	154,045,000	140,006,400	294,051,400	4,621,350	289,430,050



SUMMARY OF BONDS REFUNDED

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
Pay & Cancel Refg. of (proposed) Series 2020 + New Money
61.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Final Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
8/8/19: Ser 20 NR SP, 5.00%, 100x, 61.00mils, FG+6% BiRE:					
TERM50	12/01/2032	5.000%	255,000.00	12/01/2030	100.000
	12/01/2033	5.000%	460,000.00	12/01/2030	100.000
	12/01/2034	5.000%	880,000.00	12/01/2030	100.000
	12/01/2035	5.000%	1,085,000.00	12/01/2030	100.000
	12/01/2036	5.000%	1,575,000.00	12/01/2030	100.000
	12/01/2037	5.000%	1,815,000.00	12/01/2030	100.000
	12/01/2038	5.000%	2,360,000.00	12/01/2030	100.000
	12/01/2039	5.000%	2,615,000.00	12/01/2030	100.000
	12/01/2040	5.000%	3,230,000.00	12/01/2030	100.000
	12/01/2041	5.000%	3,495,000.00	12/01/2030	100.000
	12/01/2042	5.000%	4,090,000.00	12/01/2030	100.000
	12/01/2043	5.000%	4,320,000.00	12/01/2030	100.000
	12/01/2044	5.000%	4,970,000.00	12/01/2030	100.000
	12/01/2045	5.000%	5,240,000.00	12/01/2030	100.000
	12/01/2046	5.000%	5,935,000.00	12/01/2030	100.000
	12/01/2047	5.000%	6,235,000.00	12/01/2030	100.000
	12/01/2048	5.000%	7,005,000.00	12/01/2030	100.000
	12/01/2049	5.000%	7,355,000.00	12/01/2030	100.000
	12/01/2050	5.000%	8,215,000.00	12/01/2030	100.000
			71,135,000.00		



ESCROW REQUIREMENTS

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
Pay & Cancel Refg. of (proposed) Series 2020 + New Money
61.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Final Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date 12/01/2030
Delivery Date 12/01/2030

8/8/19: Ser 20 NR SP, 5.00%, 100x, 61.00mls, FG+6% BiRE

Period Ending	Principal Redeemed	Total
12/01/2030	71,135,000.00	71,135,000.00
	71,135,000.00	71,135,000.00



PRIOR BOND DEBT SERVICE

**KINSTON METROPOLITAN DISTRICT
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
 Pay & Cancel Refg. of (proposed) Series 2020 + New Money
 61.000 (target) Mills
 Assumes Investment Grade, 100x, 30-yr. Final Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]**

8/8/19: Ser 20 NR SP, 5.00%, 100x, 61.00mls, FG+6% BiRE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2031			1,778,375	1,778,375	
12/01/2031			1,778,375	1,778,375	3,556,750
06/01/2032			1,778,375	1,778,375	
12/01/2032	255,000	5.000%	1,778,375	2,033,375	3,811,750
06/01/2033			1,772,000	1,772,000	
12/01/2033	460,000	5.000%	1,772,000	2,232,000	4,004,000
06/01/2034			1,760,500	1,760,500	
12/01/2034	880,000	5.000%	1,760,500	2,640,500	4,401,000
06/01/2035			1,738,500	1,738,500	
12/01/2035	1,085,000	5.000%	1,738,500	2,823,500	4,562,000
06/01/2036			1,711,375	1,711,375	
12/01/2036	1,575,000	5.000%	1,711,375	3,286,375	4,997,750
06/01/2037			1,672,000	1,672,000	
12/01/2037	1,815,000	5.000%	1,672,000	3,487,000	5,159,000
06/01/2038			1,626,625	1,626,625	
12/01/2038	2,360,000	5.000%	1,626,625	3,986,625	5,613,250
06/01/2039			1,567,625	1,567,625	
12/01/2039	2,615,000	5.000%	1,567,625	4,182,625	5,750,250
06/01/2040			1,502,250	1,502,250	
12/01/2040	3,230,000	5.000%	1,502,250	4,732,250	6,234,500
06/01/2041			1,421,500	1,421,500	
12/01/2041	3,495,000	5.000%	1,421,500	4,916,500	6,338,000
06/01/2042			1,334,125	1,334,125	
12/01/2042	4,090,000	5.000%	1,334,125	5,424,125	6,758,250
06/01/2043			1,231,875	1,231,875	
12/01/2043	4,320,000	5.000%	1,231,875	5,551,875	6,783,750
06/01/2044			1,123,875	1,123,875	
12/01/2044	4,970,000	5.000%	1,123,875	6,093,875	7,217,750
06/01/2045			999,625	999,625	
12/01/2045	5,240,000	5.000%	999,625	6,239,625	7,239,250
06/01/2046			868,625	868,625	
12/01/2046	5,935,000	5.000%	868,625	6,803,625	7,672,250
06/01/2047			720,250	720,250	
12/01/2047	6,235,000	5.000%	720,250	6,955,250	7,675,500
06/01/2048			564,375	564,375	
12/01/2048	7,005,000	5.000%	564,375	7,569,375	8,133,750
06/01/2049			389,250	389,250	
12/01/2049	7,355,000	5.000%	389,250	7,744,250	8,133,500
06/01/2050			205,375	205,375	
12/01/2050	8,215,000	5.000%	205,375	8,420,375	8,625,750
	71,135,000		51,533,000	122,668,000	122,668,000



BOND SOLUTION

KINSTON METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2030
 Pay & Cancel Refg. of (proposed) Series 2020 + New Money
 61.000 (target) Mills
 Assumes Investment Grade, 100x, 30-yr. Final Maturity
 (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
 [Preliminary -- for discussion only]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2031		6,161,800	-4,621,350	1,540,450	4,343,311	2,802,861	281.95078%
12/01/2032		6,161,800		6,161,800	4,961,018	-1,200,782	80.51248%
12/01/2033		6,161,800		6,161,800	5,208,700	-953,100	84.53211%
12/01/2034		6,161,800		6,161,800	5,723,992	-437,808	92.89480%
12/01/2035		6,161,800		6,161,800	5,934,782	-227,018	96.31572%
12/01/2036	340,000	6,501,800		6,501,800	6,501,988	188	100.00289%
12/01/2037	560,000	6,708,200		6,708,200	6,711,838	3,638	100.05424%
12/01/2038	1,170,000	7,295,800		7,295,800	7,298,837	3,037	100.04162%
12/01/2039	1,400,000	7,479,000		7,479,000	7,481,596	2,596	100.03472%
12/01/2040	2,080,000	8,103,000		8,103,000	8,106,276	3,276	100.04043%
12/01/2041	2,300,000	8,239,800		8,239,800	8,240,673	873	100.01060%
12/01/2042	2,935,000	8,782,800		8,782,800	8,787,687	4,887	100.05565%
12/01/2043	3,090,000	8,820,400		8,820,400	8,823,011	2,611	100.02960%
12/01/2044	3,780,000	9,386,800		9,386,800	9,387,865	1,065	100.01135%
12/01/2045	3,955,000	9,410,600		9,410,600	9,415,348	4,748	100.05045%
12/01/2046	4,680,000	9,977,400		9,977,400	9,980,269	2,869	100.02875%
12/01/2047	4,870,000	9,980,200		9,980,200	9,980,269	69	100.00069%
12/01/2048	5,660,000	10,575,400		10,575,400	10,579,085	3,685	100.03485%
12/01/2049	5,890,000	10,579,000		10,579,000	10,579,085	85	100.00080%
12/01/2050	6,760,000	11,213,400		11,213,400	11,213,830	430	100.00384%
12/01/2051	7,030,000	11,213,000		11,213,000	11,213,830	830	100.00740%
12/01/2052	7,980,000	11,881,800		11,881,800	11,886,660	4,860	100.04090%
12/01/2053	8,300,000	11,882,600		11,882,600	11,886,660	4,060	100.03417%
12/01/2054	9,345,000	12,595,600		12,595,600	12,599,860	4,260	100.03382%
12/01/2055	9,720,000	12,596,800		12,596,800	12,599,860	3,060	100.02429%
12/01/2056	10,865,000	13,353,000		13,353,000	13,355,851	2,851	100.02135%
12/01/2057	11,300,000	13,353,400		13,353,400	13,355,851	2,451	100.01836%
12/01/2058	12,555,000	14,156,400		14,156,400	14,157,202	802	100.00567%
12/01/2059	13,055,000	14,154,200		14,154,200	14,157,202	3,002	100.02121%
12/01/2060	14,425,000	15,002,000		15,002,000	15,006,634	4,634	100.03089%
	154,045,000	294,051,400	-4,621,350	289,430,050	289,479,071	49,021	

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;
2. A financing plan showing how the proposed services are to be financed;
3. A preliminary description of how the proposed services are to be provided;
4. A map of the Districts' Boundaries and an estimate of the population and valuation for assessment of the Districts;
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 Districts 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 Districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts 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 Districts;
 - b. That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;
 - c. That the Districts are capable of providing economical and sufficient service to the area within their boundaries;
 - d. That the area to be included in the Districts 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 Districts are compatible with the facility and service standards of the City within which the Districts 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 of the Districts will be in the best interests of the area proposed to be served.

EXHIBIT G
Agreement Regarding District Disclosures

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 1)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 1 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 1, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF LOVELAND, a municipal corporation

4

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 1

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S56°52'41"E A DISTANCE OF 994.32 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 1**

1. What does the District do?

Kinston Metropolitan District No. 1 (the "District") was organized, together with Kinston Metropolitan District Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R# _____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 1. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 1 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 1

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 1**

PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 1

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S56°52'41"E A DISTANCE OF 994.32 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 1	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 2)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 2 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. **Disclosure Requirement**. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 2, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. **Amendments to Disclosure**. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures: Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

4

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as City Clerk of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 2

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°15'06"E A DISTANCE OF 1166.95 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 2**

1. What does the District do?

Kinston Metropolitan District No. 2 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 3, 4, 5, 6, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 2. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 2 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 2

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 2**

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 2

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°15'06"E A DISTANCE OF 1166.95 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 2	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 3)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 3 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 3, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of
_____, 2019, by _____ as City Clerk of the City of
Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 3

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S66°12'54"E A DISTANCE OF 1347.18 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 3**

1. What does the District do?

Kinston Metropolitan District No. 3 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 4, 5, 6, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 3. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 3 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 3

Purchaser's Signature Acknowledging Receipt: _____

EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 3

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 3

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S66°12'54"E A DISTANCE OF 1347.18 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 3	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 4)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 4 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 4, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day, month and year first above written.

CITY:

CITY OF LOVELAND, a municipal
corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____ as City Manager of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as City Clerk of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 4

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S52°18'47"E A DISTANCE OF 1052.30 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 4**

1. What does the District do?

Kinston Metropolitan District No. 4 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 5, 6, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 4. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 4 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 4

Purchaser's Signature Acknowledging Receipt: _____

EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 4

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 4

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S52°18'47"E A DISTANCE OF 1052.30 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 4	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 5)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 5 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 5, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF LOVELAND, a municipal corporation

4

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 5

**COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°04'50"E A DISTANCE OF 1216.74 FEET TO THE POINT OF BEGINNING.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.**

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 5**

1. What does the District do?

Kinston Metropolitan District No. 5 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 6, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 5. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300):

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 5 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 5

Purchaser's Signature Acknowledging Receipt: _____

EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 5

PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 5

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°04'50"E A DISTANCE OF 1216.74 FEET TO THE POINT OF BEGINNING.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 5	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 6)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 6 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 6, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF LOVELAND, a municipal corporation

4

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as City Clerk of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 6

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°26'31"E A DISTANCE OF 1390.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 6**

1. What does the District do?

Kinston Metropolitan District No. 6 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 7, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 6. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2, attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 6 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20 ____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 6

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 6**

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 6

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°26'31"E A DISTANCE OF 1390.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 6	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 7)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 7 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 7, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of
_____, 2019, by _____ as City Clerk of the City of
Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 7

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S48°14'52"E A DISTANCE OF 1116.25 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 7**

1. What does the District do?

Kinston Metropolitan District No. 7 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 8, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 7. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 7 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20 ____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 7

Purchaser's Signature Acknowledging Receipt: _____

EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 7

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 7

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S48°14'52"E A DISTANCE OF 1116.25 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 7	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 8)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 8 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 8, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "Developer" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "Lot Purchaser" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day, month and year first above written.

CITY:

CITY OF LOVELAND, a municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____ as City Manager of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of
_____, 2019, by _____ as City Clerk of the City of
Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 8

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S54°15'20"E A DISTANCE OF 1272.44 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 8**

1. What does the District do?

Kinston Metropolitan District No. 8 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 9 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 8. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 8 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20 ____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 8

Purchaser's Signature Acknowledging Receipt: _____

EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 8

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 8

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S54°15'20"E A DISTANCE OF 1272.44 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 8	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 9)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and ZIMCPW, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 9 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 9, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF LOVELAND, a municipal corporation

ATTEST:

APPROVED AS TO FORM:

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as City Manager of the City of Loveland, a municipal corporation.

My commission expires: _____.

4

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of
_____, 2019, by _____ as City Clerk of the City of
Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

ZIMCPW, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of ZIMCPW, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 9

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°54'40"E A DISTANCE OF 1439.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 9**

1. What does the District do?

Kinston Metropolitan District No. 9 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 10 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills for the payment of debt obligations and related expenses, may not exceed 25 mills for the payment of operations and maintenance obligations and related expenses, and may not exceed a total of 77 mills for the payment of debt obligations and operations and maintenance expenses combined, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the

District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will

help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 3 and various other service providers, including Kinston Metropolitan District No. 9. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 87.300 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$2,809 (32.18×87.300).

The maximum mill levy the District is permitted to levy is 77.000 mills (0.077), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$2,478 (32.18×77.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,287 ($\$2,478 + \$2,809$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 9 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20 ____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 9

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 9**

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 9

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°54'40"E A DISTANCE OF 1439.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

EXHIBIT 2
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
 (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 9	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

**AGREEMENT REGARDING DISTRICT DISCLOSURES
(KINSTON METROPOLITAN DISTRICT NO. 10)**

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “**Agreement**”) is executed as of the ____ day of _____, 2019, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “**City**”), and CENTERRA PROPERTIES WEST, LLC, a Colorado limited liability company (the “**Property Owner**”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “**Property**”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Kinston Metropolitan District No. 10 (the “**District**”), as defined and provided for in the Consolidated Service Plan for Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 (the “**Service Plan**”), and may include additional property located within the “Future Inclusion Area” described in the Service Plan.

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“**Lot Purchasers**,” as further defined herein) of lots (“**Lots**”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Kinston Metropolitan District No. 10, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “**Disclosure**”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City Attorney of such amendments, except that the Property Owner may (a) correct minor typographical or clerical errors, and (b)

periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City Attorney.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "**Developer**" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "**Lot Purchaser**" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. Amendments to the Agreement. Upon the inclusion of property into the District ("District Included Property") or the exclusion of property from the District ("District Excluded Property"), the parties hereto shall amend this Agreement in writing to subject any District Included Property to the terms of this Agreement and/or to remove any District Excluded Property from this Agreement, and to include or exclude any property owner, as applicable.

7. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

8. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

10. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

11. Recording. This Agreement, and any amendment entered into pursuant to Paragraph 6 hereto, shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day, month and year first above written.

CITY:

CITY OF LOVELAND, a municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as City Manager of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of
_____, 2019, by _____ as City Clerk of the City of
Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

CENTERRA PROPERTIES WEST, LLC,
a Colorado limited liability company

By: McWhinney Real Estate Services, Inc.,
a Colorado corporation, Manager

By: _____
Michael S. Warren
Senior Vice President and General Counsel

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Michael S. Warren as Senior Vice President and General Counsel of McWhinney Real Estate Services, Inc., a Colorado corporation, Manager of Centerra Properties West, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

A PARCEL OF LAND BEING A PORTION OF PARCEL A-1, MILLENNIUM ADDITION, A PLAT RECORDED AT RECEPTION NO. 2000070611, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, AS BEARING N89°03'30"E A DISTANCE OF 2643.82 FEET BETWEEN THE WEST QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" ALUMINUM CAP, DOWN 0.5 FEET IN A RANGE BOX, STAMPED: LS 14823 AND THE CENTER QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" BRASS CAP FLUSH WITH THE GROUND, STAMPING ILLEGIBLE.

DISTRICT NO. 10

COMMENCING AT SAID WEST QUARTER CORNER OF SECTION 2;
THENCE N89°03'30"E ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 A DISTANCE OF 219.66 FEET TO THE **POINT OF BEGINNING**.
THENCE N89°03'30"E CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 200.00 FEET;
THENCE S00°56'30"E A DISTANCE OF 100.00 FEET;
THENCE S89°03'30"W A DISTANCE OF 200.00 FEET;
THENCE N00°56'30"W A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
KINSTON METROPOLITAN DISTRICT NO. 10**

1. What does the District do?

Kinston Metropolitan District No. 10 (the "District") was organized, together with Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 on _____, 2019, pursuant to a Consolidated Service Plan, approved by Resolution No. R#_____ of the City Council for the City of Loveland, Colorado, on _____, 2019 (the "Service Plan") for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District's boundaries.

The District's boundaries are set forth in **Exhibit 1** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District's board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland (the "City"). The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 62 mills less the mill levy imposed by Centerra Metropolitan District No. 2 ("CMD 2 Mill Levy") and by Centerra Metropolitan District No. 4 ("CMD 4 Mill Levy"), if any, and the maximum mill levy the District may impose for the payment of principal of and interest on Debt and to defray operations and maintenance expenses combined shall not exceed 77 mills less the CMD 2 Mill Levy and CMD 4 Mill Levy, if any, which mill levy caps may be adjusted

upward or downward over time as permitted in the Service Plan. At such time as the property located within the District is no longer subject to the CMD 2 Mill Levy and the CMD 4 Mill Levy, if any, the maximum mill levy the District may impose for the payment of debt obligations and related expenses shall not exceed 62 mills, the maximum mill levy the District may impose for the payment of operations and maintenance obligations and related expenses may not exceed 25 mills, and the combined mill levy for the payment of debt obligations and operations and maintenance expenses may not exceed a total of 77 mills, which may be adjusted upward or downward over time as permitted in the Service Plan.

In addition, various voter limitations exist which affect the taxing powers of the District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills less the CMD 2 Mill Levy and the CMD 4 Mill Levy, if any, and the total mill levy that may be assessed by the District for the payment of debt obligations and related expenses and operations and maintenance obligations and related expenses to 77 mills; provided, however, at such time as the property located within the District is no longer subject to the CMD 2 Mill Levy and the CMD 4 Mill Levy, if any, the Service Plan limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 62 mills, the mill levy that may be assessed by the District for payment of operations and maintenance obligations and related expenses to 25 mills, and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance combined to 77 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills less the CMD 2 Mill Levy and CMD 4 Mill Levy, if any, absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above,

however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will help pay the costs of all bonds issued by the District. This results in the risk of development being shared in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces \$32.18 of taxes ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, Centerra Metropolitan District No. 2 and various other service providers, including Kinston Metropolitan District No. 10. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently 129.900 mills for tax year 2018 for collection in the year 2019. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$4,180.18 (32.18×129.900).

Until the District repays its proportionate share of indebtedness owed by Centerra Metropolitan District No. 2 ("CMD 2"), the maximum mill levy the District is currently permitted to levy is 29.400 mills (77 mills less 49.600 mills imposed by CMD 2), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$450,000 would be approximately \$946.09 (32.18×29.400). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$5,126 ($\$946 + \$4,180$).

Exhibit 2 attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Kinston Metropolitan District No. 10 specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Icenogle Seaver Pogue, P.C., at 4725 South Monaco Street, Suite 360, Denver, CO 80237, (303) 292-9100. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Kinston Metropolitan District No. 10

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT 1
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
KINSTON METROPOLITAN DISTRICT NO. 10**

A PARCEL OF LAND BEING A PORTION OF PARCEL A-1, MILLENNIUM ADDITION, A PLAT RECORDED AT RECEPTION NO. 2000070611, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, AS BEARING N89°03'30"E A DISTANCE OF 2643.82 FEET BETWEEN THE WEST QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" ALUMINUM CAP, DOWN 0.5 FEET IN A RANGE BOX, STAMPED: LS 14823 AND THE CENTER QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" BRASS CAP FLUSH WITH THE GROUND, STAMPING ILLEGIBLE.

DISTRICT NO. 10

COMMENCING AT SAID WEST QUARTER CORNER OF SECTION 2;
THENCE N88°03'30"E ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 A DISTANCE OF 219.66 FEET TO THE **POINT OF BEGINNING**.
THENCE N89°03'30"E CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 200.00 FEET;
THENCE S00°56'30"E A DISTANCE OF 100.00 FEET;
THENCE S89°03'30"W A DISTANCE OF 200.00 FEET;
THENCE N00°56'30"W A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

**EXHIBIT 2
 TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Centerra Metropolitan District No. 2	47.600 ¹	\$ 1,531.77
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	129.900	\$ 4,180.19

¹ The mill levy for Centerra Metropolitan District No. 2 ("CMD 2") represents the total mill levy for debt and operations and maintenance expenses. Property described in this Disclosure will be excluded from CMD 2 when developed for residential use and the property will only be subject to CMD 2's mill levy for debt outstanding at exclusion. For 2018, CMD 2 debt mill levy is 21.913 mills, which will generate \$705.16 in taxes for CMD 2, and will result in a Total Mill Levy of 104.213 mills, with annual total taxes levied in the amount of \$3,353.57.

Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District (Assuming Maximum District Mill Levy)

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 10	29.400	\$ 946.09
Centerra Metropolitan District No. 2	47.600 ¹	\$ 1,531.77
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	159.300	\$ 5,126.28

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

¹ The mill levy for Centerra Metropolitan District No. 2 ("CMD 2") represents the total mill levy for debt and operations and maintenance expenses. Property described in this Disclosure will be excluded from CMD 2 when developed for residential use, and will only be subject to CMD 2's mill levy for debt outstanding at exclusion. For 2018, CMD 2's debt mill levy is 21.913 mills and generates \$705.16 in taxes levied, which, upon exclusion of the property from CMD 2, would result in a maximum mill levy of 55.087 mills that may be imposed by Kinston Metropolitan District No. 10, generating \$1,772.70 in annual taxes for Kinston Metropolitan District No. 10.

EXHIBIT H

**Notice of Inclusion in the Kinston Metropolitan District Nos. 1 – 10
and Possible Property Tax Consequences**



NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT NO. 1 AND POSSIBLE PROPERTY TAX CONSEQUENCES

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 1

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S56°52'41"E A DISTANCE OF 994.32 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 1 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

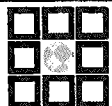
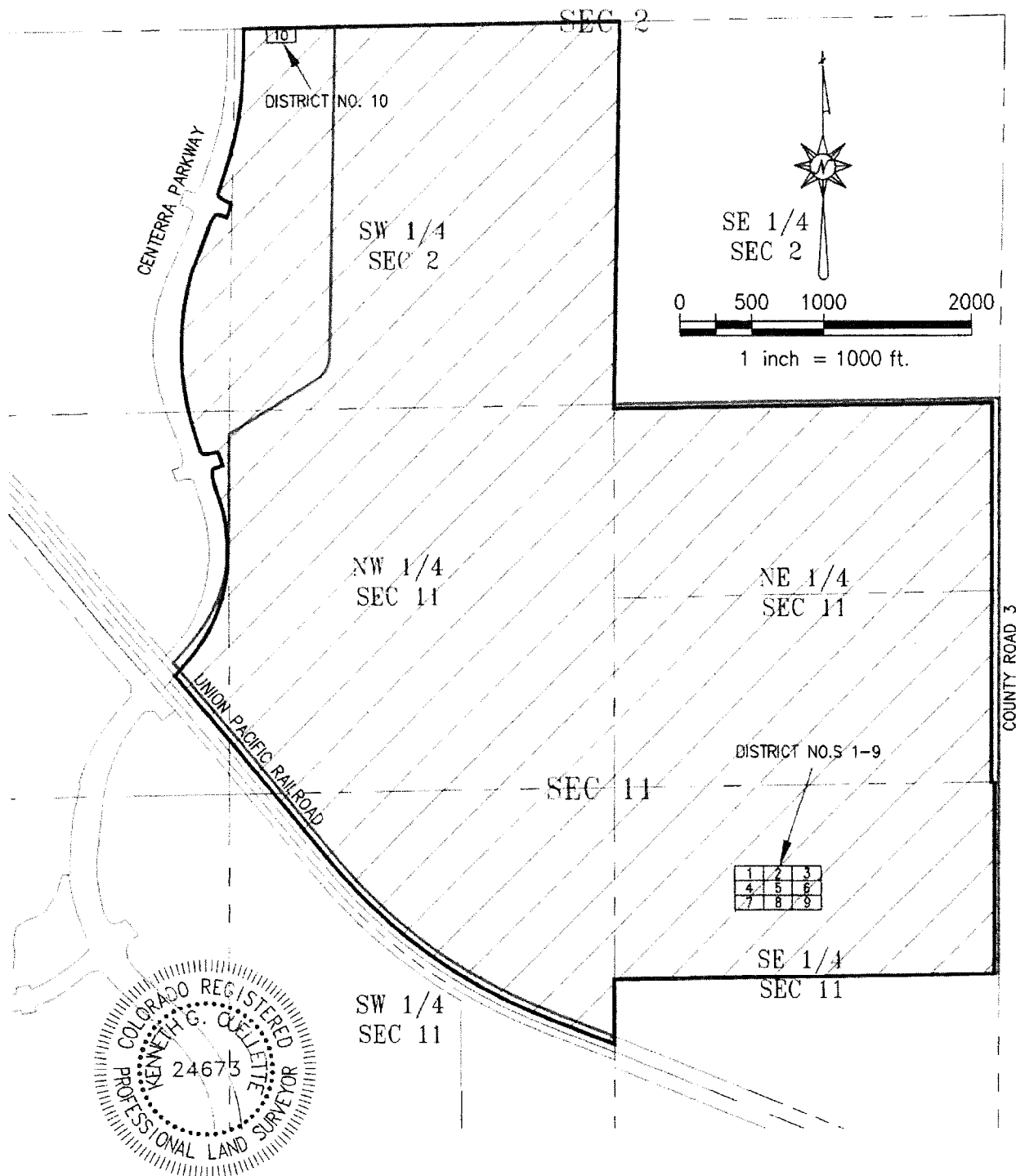
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 1	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 2 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 2

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°15'06"E A DISTANCE OF 1166.95 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 2 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

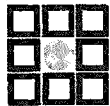
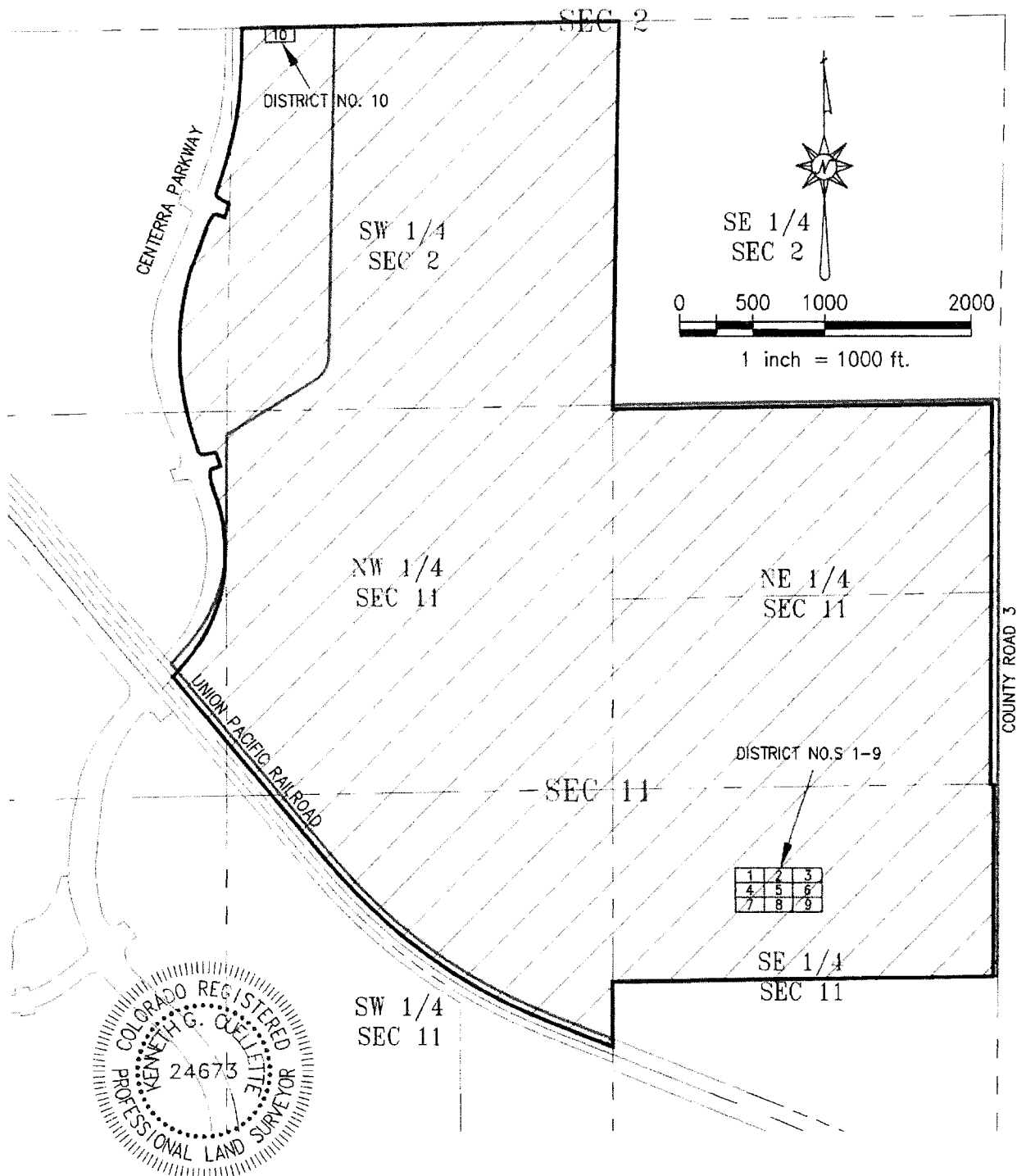
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 2	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 3 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 3

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S66°12'54"E A DISTANCE OF 1347.18 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 3 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

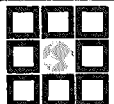
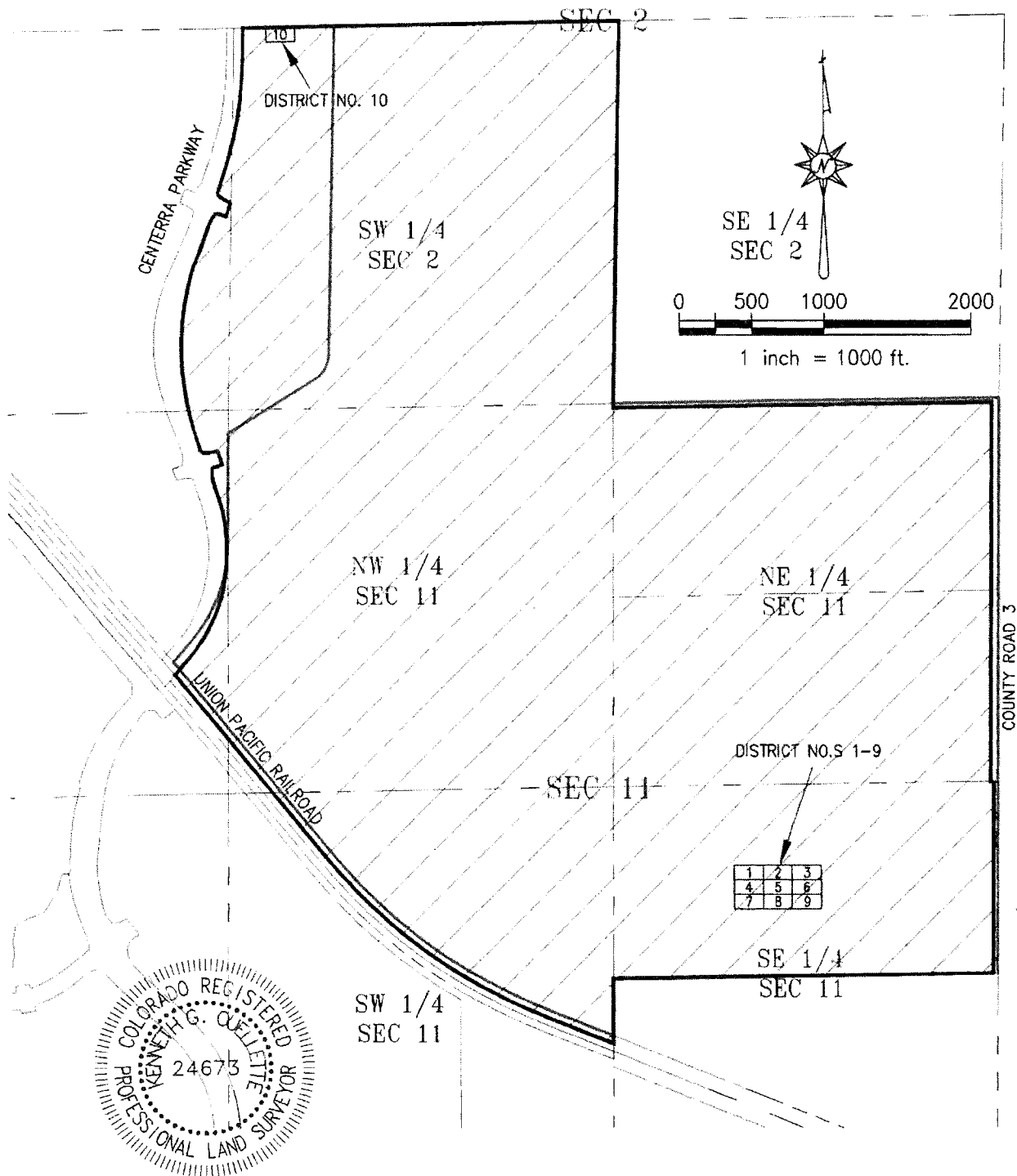
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 3	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

EXHIBIT A



MERRICK

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 4 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 4

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S52°18'47"E A DISTANCE OF 1052.30 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 4 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

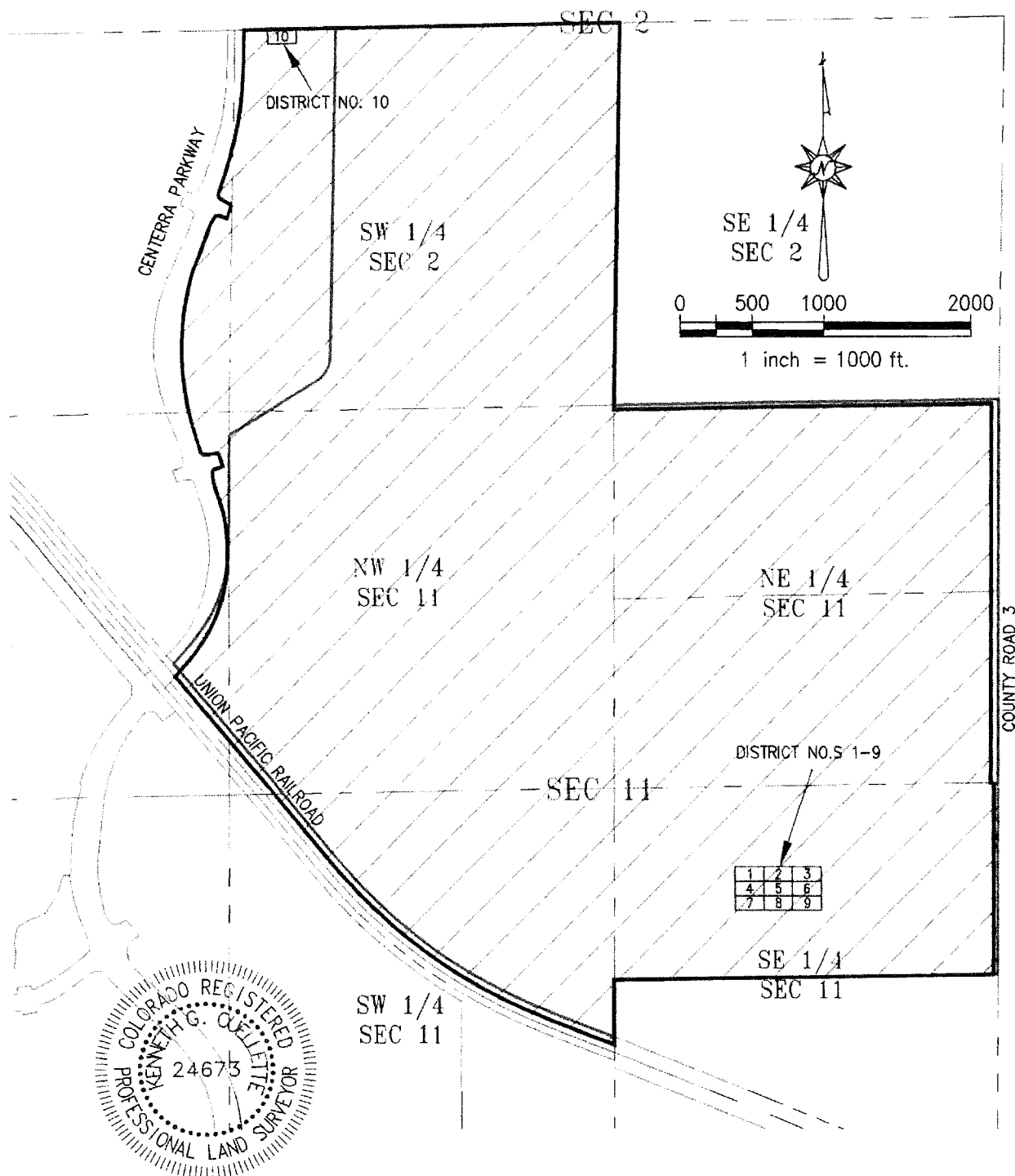
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 4	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 5 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 5

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°04'50"E A DISTANCE OF 1216.74 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 5 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

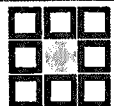
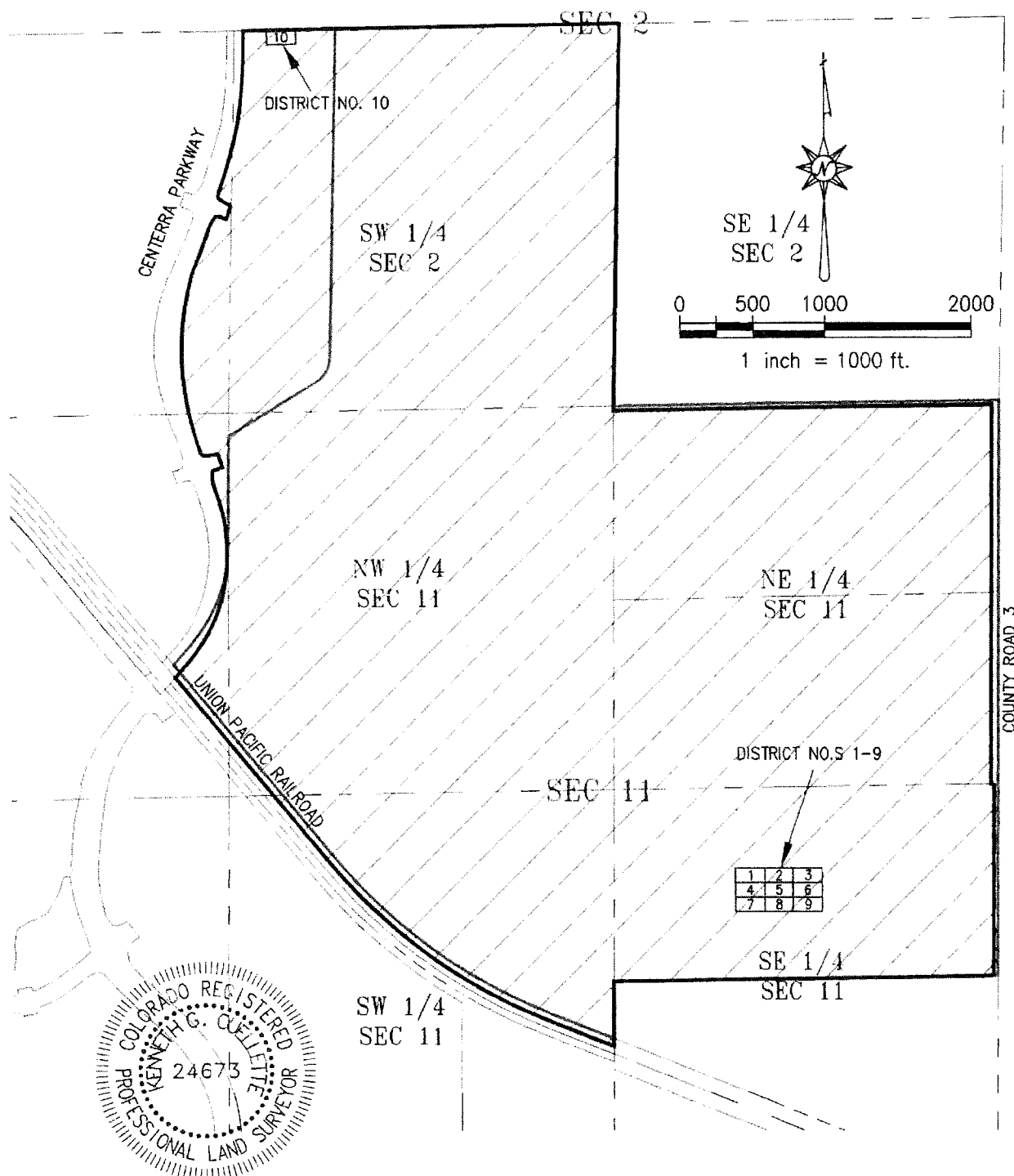
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 5	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 6 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 6

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S62°26'31"E A DISTANCE OF 1390.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 6 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

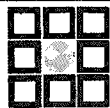
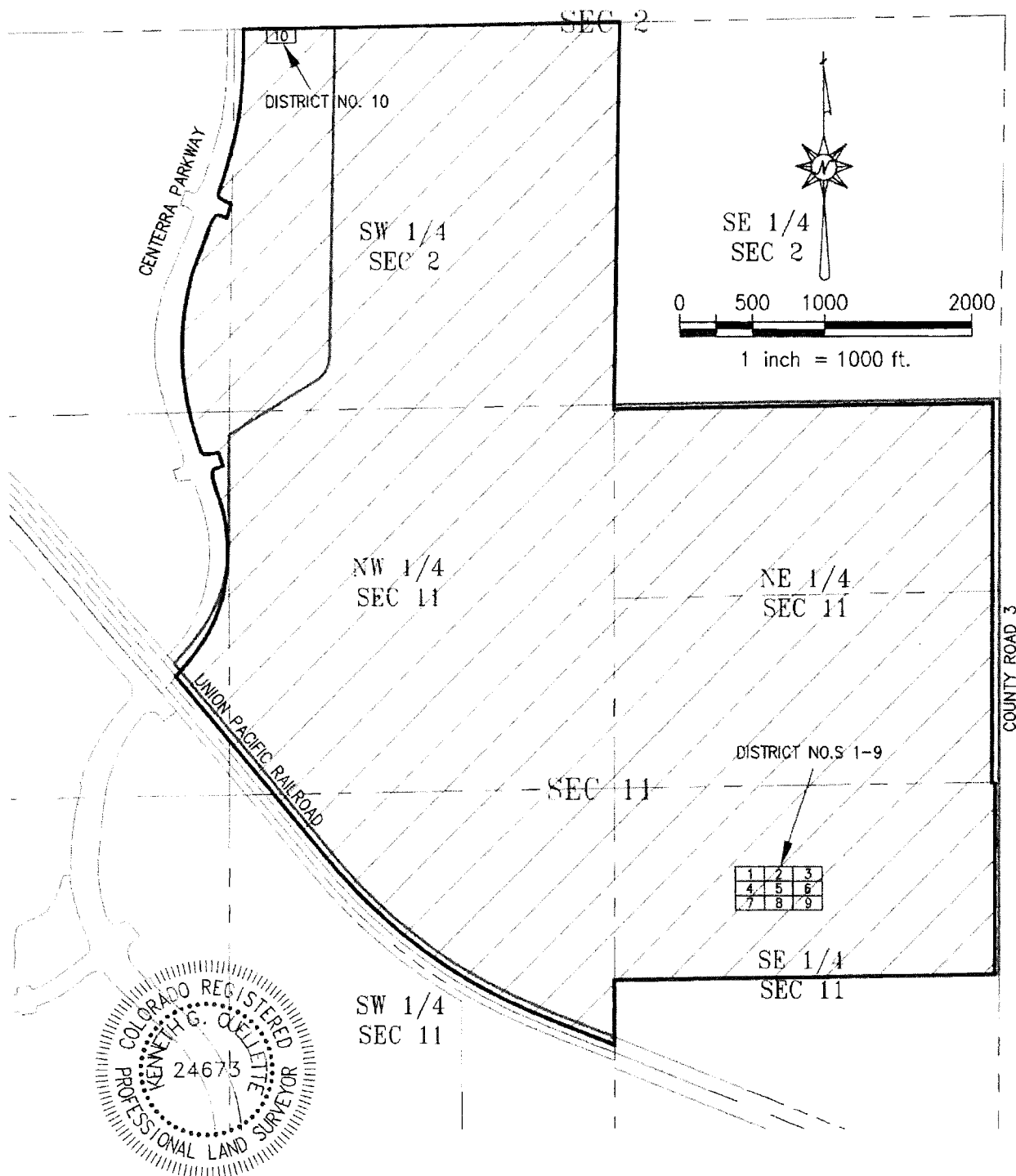
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 6	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 7 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 7

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S48°14'52"E A DISTANCE OF 1116.25 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 7 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

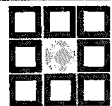
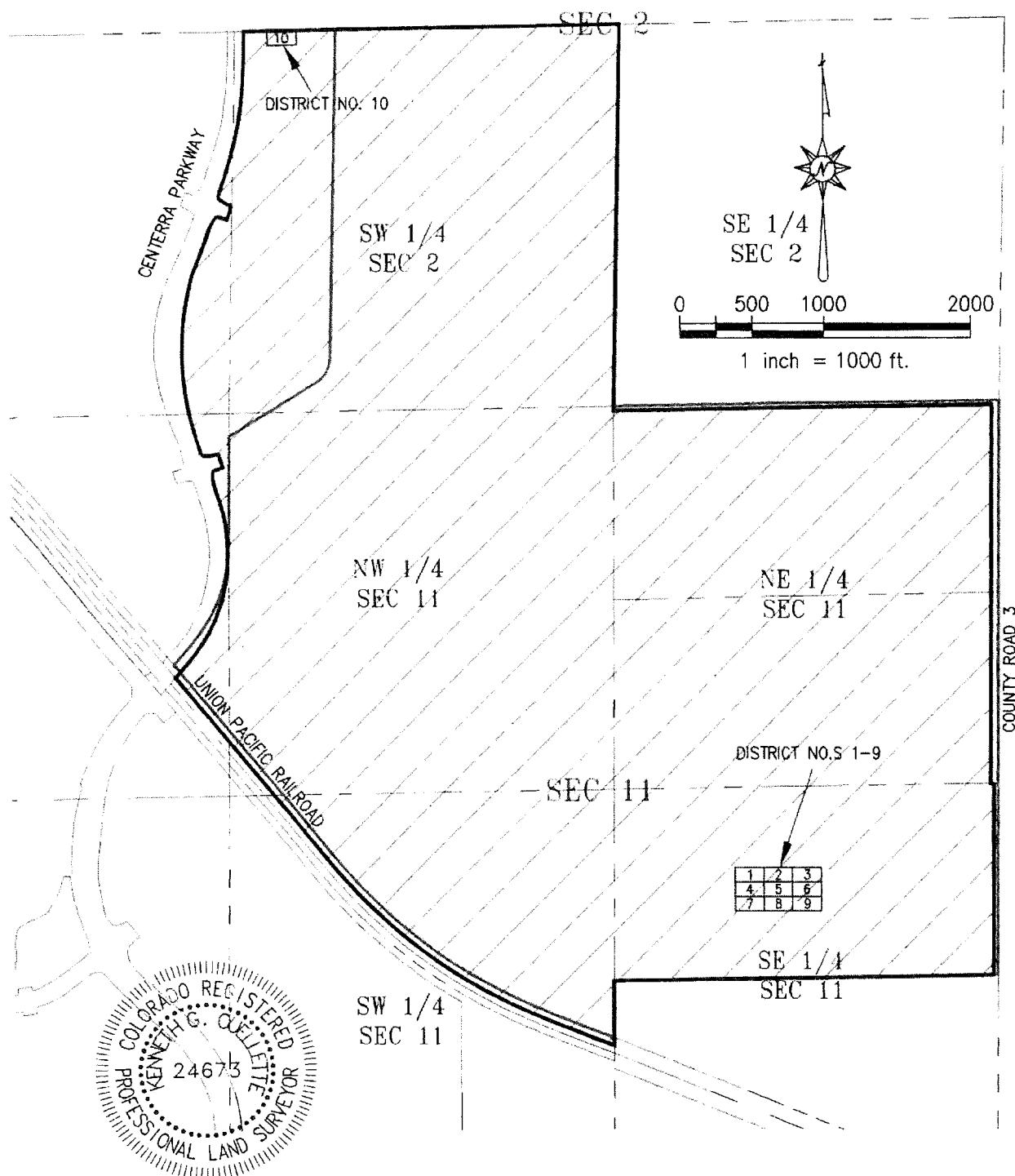
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 7	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 8 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 8

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S54°15'20"E A DISTANCE OF 1272.44 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 8 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

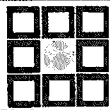
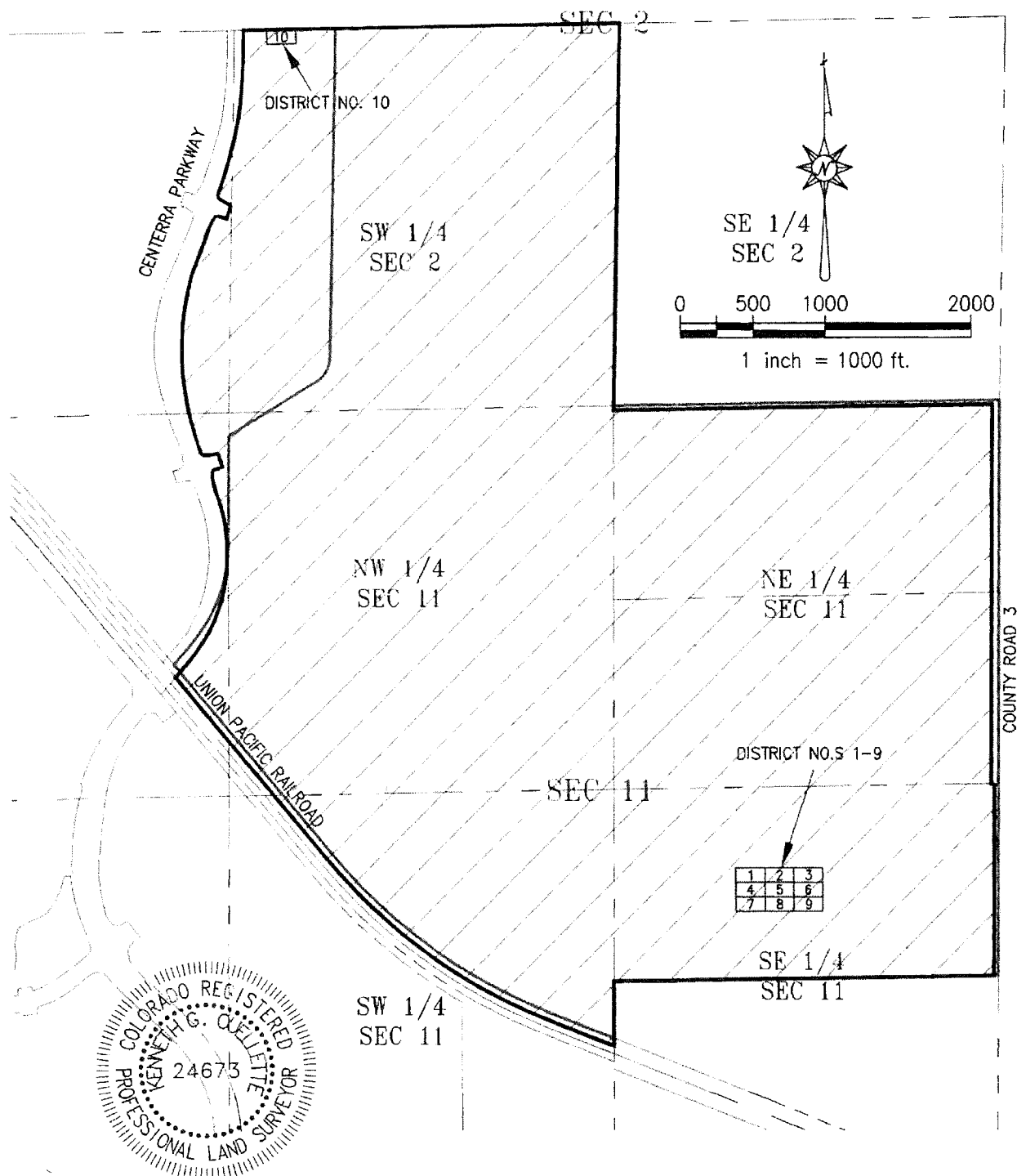
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 8	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 9 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, AS BEARING N89°10'22"E A DISTANCE OF 2642.94 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND 2-1/2" ALUMINUM CAP, DOWN 1.1 FEET BELOW THE SURFACE, STAMPED: LS 14823 AND THE EAST QUARTER CORNER OF SAID SECTION 11 BEING MONUMENTED BY A FOUND #6 REBAR WITH A 3-1/4" ALUMINUM CAP, DOWN 2.0 FEET BELOW THE SURFACE, STAMPING ILLEGIBLE.

DISTRICT NO. 9

COMMENCING AT SAID CENTER QUARTER CORNER OF SECTION 11;
THENCE S58°54'40"E A DISTANCE OF 1439.52 FEET TO THE **POINT OF BEGINNING**.
THENCE N90°00'00"E A DISTANCE OF 200.00 FEET;
THENCE S00°00'00"E A DISTANCE OF 100.00 FEET;
THENCE N90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"E A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

Site Address: 1957 N COUNTY ROAD 3, LOVELAND, CO 80538

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 9 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could result in ADDITIONAL annual property taxes up to:

\$2,477.86

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

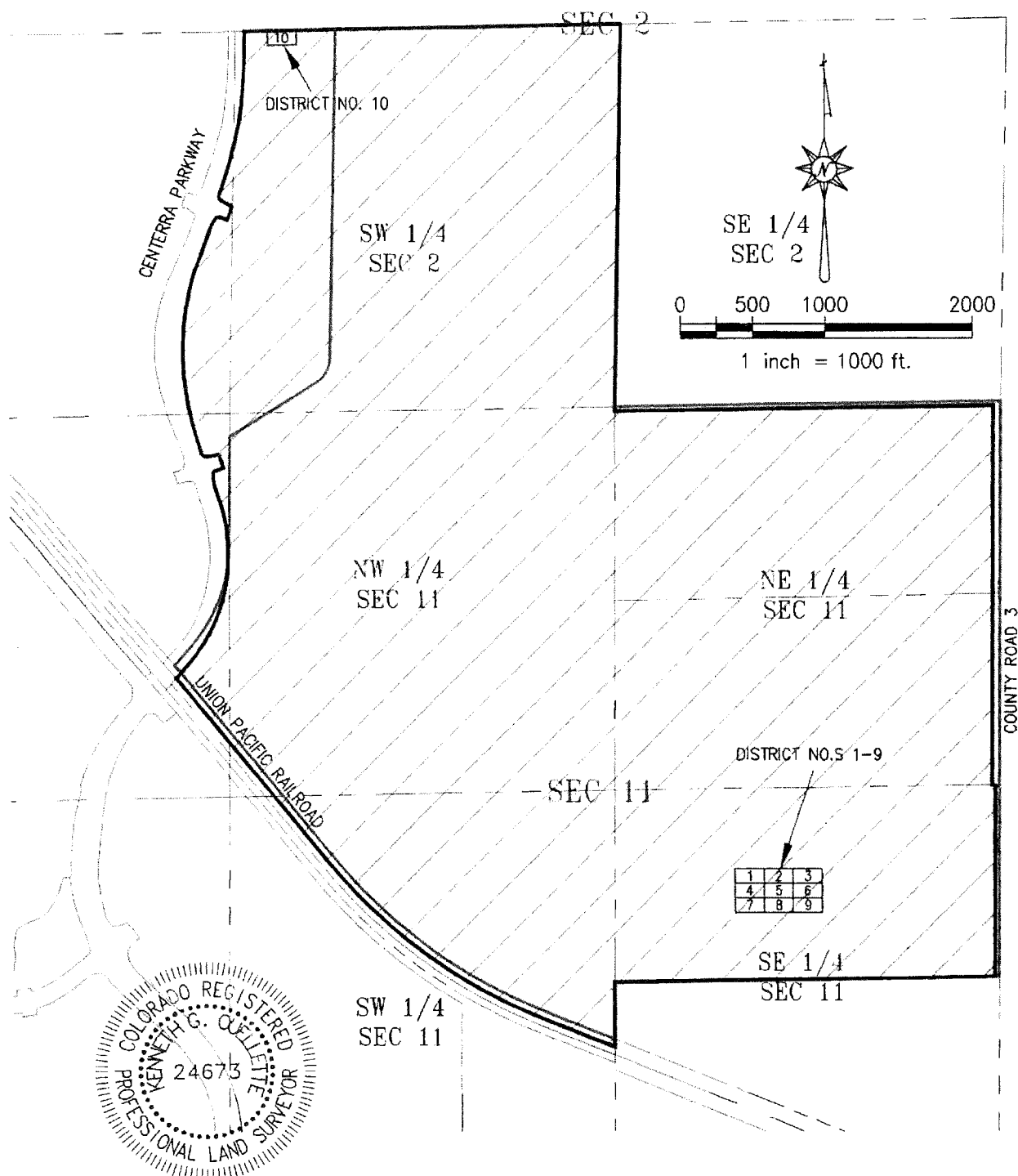
<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	87.300	\$ 2,809.31

**Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 9	77.000	\$ 2,477.86
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Centerra Metropolitan District No. 3	5.000	\$160.88
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	164.300	\$ 5,287.17

** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11



**NOTICE OF INCLUSION IN KINSTON METROPOLITAN DISTRICT
NO. 10 AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property and address (depicted in map attached as Exhibit A hereto):

A PARCEL OF LAND BEING A PORTION OF PARCEL A-1, MILLENNIUM ADDITION, A PLAT RECORDED AT RECEPTION NO. 2000070611, IN THE OFFICE OF THE LARIMER COUNTY CLERK AND RECORDER, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, AS BEARING N89°03'30"E A DISTANCE OF 2643.82 FEET BETWEEN THE WEST QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" ALUMINUM CAP, DOWN 0.5 FEET IN A RANGE BOX, STAMPED: LS 14823 AND THE CENTER QUARTER CORNER OF SAID SECTION 2 BEING MONUMENTED BY A FOUND 3-1/4" BRASS CAP FLUSH WITH THE GROUND, STAMPING ILLEGIBLE.

DISTRICT NO. 10

COMMENCING AT SAID WEST QUARTER CORNER OF SECTION 2;
THENCE N89°03'30"E ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 2 A DISTANCE OF 219.66 FEET TO THE **POINT OF BEGINNING**.
THENCE N89°03'30"E CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 200.00 FEET;
THENCE S00°56'30"E A DISTANCE OF 100.00 FEET;
THENCE S89°03'30"W A DISTANCE OF 200.00 FEET;
THENCE N00°56'30"W A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 20,000 SQUARE FEET (0.459 ACRES), MORE OR LESS.

This property is located in the following metropolitan district:

Kinston Metropolitan District No. 10 (the "District")

The District has the following powers and is authorized to provide the following services: sanitation and storm drainage, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32, Article 1, Colorado Revised Statutes, to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

77 mills (62 mills less the mill levy imposed by Centerra Metropolitan District No. 2 ("CMD 2 Mill Levy") and by Centerra Metropolitan District No. 4 ("CMD 4 Mill Levy"), if any, for debt and 77 mills total for debt and operations and maintenance expenses less the CMD 2 Mill Levy and CMD 4 Mill Levy, if any, and when the property is no longer subject to the CMD 2 Mill Levy and CMD 4 Mill Levy, if any, 62 mills for debt and 25 mills for operations and maintenance, not to exceed a total combined mill levy of 77 mills), subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 77 mills less the CMD 2 Mill Levy and CMD 4 Mill Levy, if any, absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

Based on the property's inclusion in the metropolitan district, an average home sales price of \$450,000 could currently result in ADDITIONAL annual property taxes up to:

\$946.09

The next page provides examples of estimated total annual property taxes that could be due on this property and a comparison of annual property taxes, if this property were located outside the metropolitan district.

The mill levy to repay the cost of public improvements normally expires 45 years after it begins, but some or all of the mill levy may continue to pay of operations, maintenance and other on-going costs of improvements indefinitely.

The metropolitan district board can be reached as follows:

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, CO 80237
(303) 292-9100

Note: You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine if the service plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$450,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Centerra Metropolitan District No. 2	47.600 ¹	\$ 1,531.77
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	129.900	\$ 4,180.19

¹ The mill levy for Centerra Metropolitan District No. 2 ("CMD 2") represents the total mill levy for debt and operations and maintenance expenses. Property described in this Disclosure will be excluded from CMD 2 when developed for residential use and the property will only be subject to CMD 2's mill levy for debt outstanding at exclusion. For 2018, CMD 2 debt mill levy is 21.913 mills, which will generate \$705.16 in taxes for CMD 2, and will result in a Total Mill Levy of 104.213 mills, with annual total taxes levied in the amount of \$3,353.57.

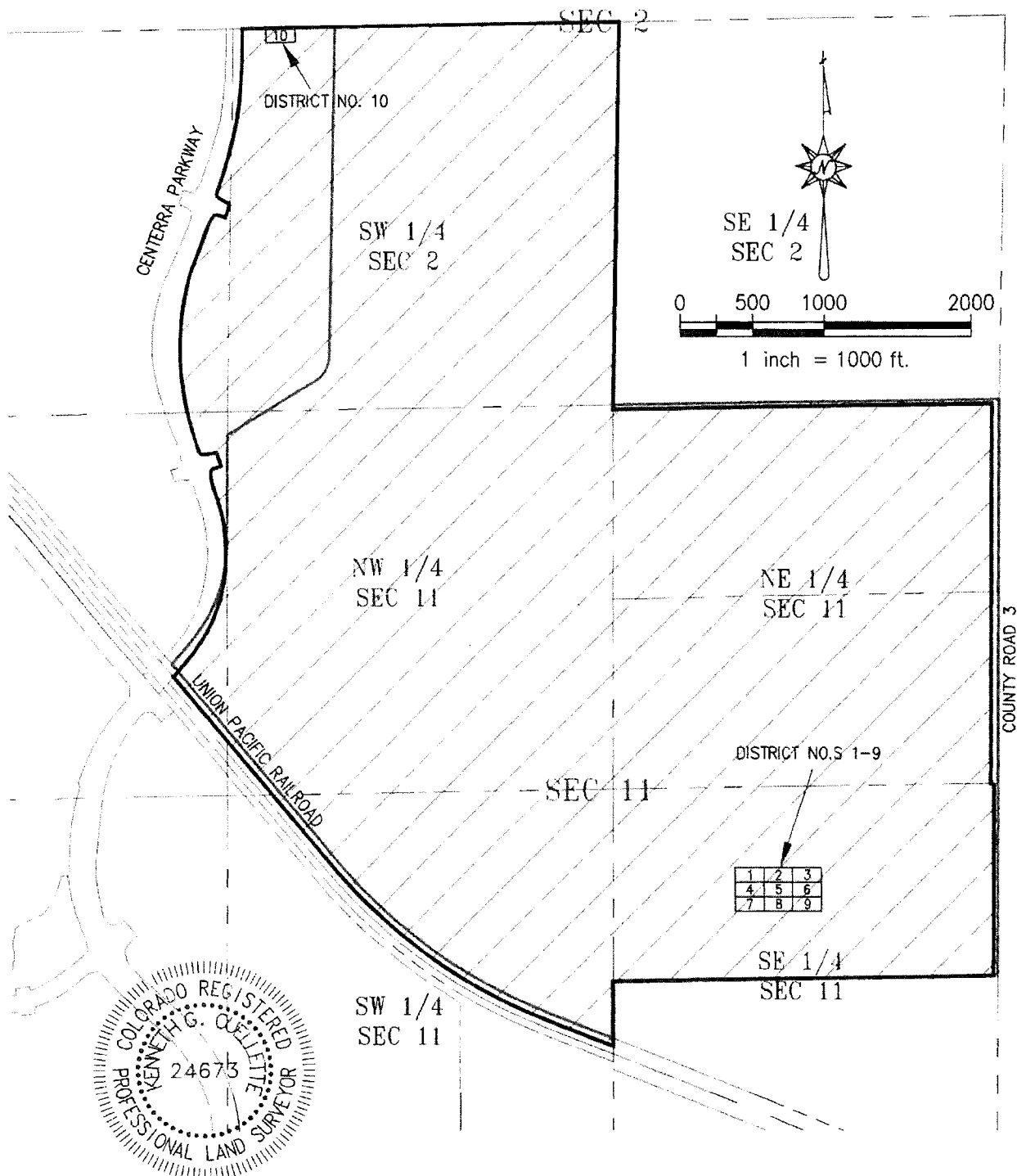
Annual Tax Levied on Residential Property With \$450,000 Actual Value With the District (Assuming Maximum District Mill Levy)

<u>Taxing Entity</u>	Mill Levies (2018**)	Annual tax levied
Kinston Metropolitan District No. 10	29.400	\$ 946.09
Centerra Metropolitan District No. 2	47.600 ¹	\$ 1,531.77
Thompson R2-J General Fund	37.406	\$ 1,203.73
Larimer County	22.403	\$ 720.93
Thompson R2-J Bond Payment	10.022	\$ 322.51
City of Loveland	9.564	\$ 307.77
Thompson Valley Health Service District	1.763	\$ 56.73
Northern Colorado Water Conservancy District	1.000	\$ 32.18
Larimer County Pest Control District	0.142	\$ 4.57
TOTAL:	159.300	\$ 5,126.28

**** This estimate of Overlapping Mill Levies is based upon the property taxes levied on property within the District imposed in 2018 for collection in 2019, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

¹ The mill levy for Centerra Metropolitan District No. 2 ("CMD 2") represents the total mill levy for debt and operations and maintenance expenses. Property described in this Disclosure will be excluded from CMD 2 when developed for residential use, and will only be subject to CMD 2's mill levy for debt outstanding at exclusion. For 2018, CMD 2's debt mill levy is 21.913 mills and generates \$705.16 in taxes levied, which, upon exclusion of the property from CMD 2, would result in a maximum mill levy of 55.087 mills that may be imposed by Kinston Metropolitan District No. 10, generating \$1,772.70 in annual taxes for Kinston Metropolitan District No. 10.

EXHIBIT A



MERRICK®

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111
Telephone: 303-751-0741

KINSTON METROPOLITAN DISTRICT

DATE: 8/5/19

SHEET: 1 OF 11

EXHIBIT B
Affidavit of Publication

STATE OF COLORADO, CITY OF LOVELAND

NOTICE OF PUBLIC HEARING

IN RE THE ORGANIZATION OF KINSTON METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, AND 10, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that the City Council for the City of Loveland, Colorado, will hold a public hearing at or about 6:00 p.m. on September 3, 2019 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering a Consolidated Service Plan for the organization of proposed special districts to be known as Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Districts"), and to form a basis for adopting a Resolution approving, disapproving, or conditionally approving the Consolidated Service Plan for Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Service Plan"). The proposed Districts are generally located east of Centerra Parkway, north of Union Pacific Railroad, and west of County Road 3 in Loveland, Colorado.

The proposed Districts will be metropolitan districts that may provide for the financing, design, acquisition, installation, construction, operation, and maintenance of public improvements related to water, sanitary sewer, street, traffic and safety control, drainage and stormwater, parks and recreation, transportation, and television relay and translation, and further provide for mosquito and pest control, covenant enforcement, and security, as authorized in the Districts' Service Plan and the Colorado Special District Act. A total mill levy cap of 77 mills is proposed for each District, subject to certain adjustments and release provisions set forth in the Service Plan.

NOTICE IS FURTHER GIVEN that, pursuant to Section 32-1-203(3.5), C.R.S., as amended, any person owning property in the proposed Districts may request that his or her property be excluded from the proposed Districts prior to the City Council's approval of the Service Plan by submitting a request to the City of Loveland City Council stating reasons why said property should not be included in the proposed Districts and requesting that such real property be excluded from the proposed Districts. Such request shall be filed no later than ten (10) days prior to the public hearing on the Service Plan, but the City of Loveland City Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City of Loveland City Council. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

BY ORDER OF CITY COUNCIL FOR THE CITY OF LOVELAND, STATE OF COLORADO

Published: Loveland Reporter Herald August 6, 2019--1623892

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Larimer
State of Colorado

The undersigned, JD Geddes, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Loveland Reporter Herald*.
2. The *Loveland Reporter Herald* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Larimer County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Loveland Reporter Herald* in Larimer County on the following date(s):

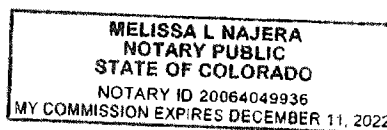
Aug 6, 2019

Signature

Subscribed and sworn to before me this

6th day of August, 2019.

Notary Public



(SEAL)

Account: 1051343
Ad Number: 1623892
Fee: \$49.30

EXHIBIT C
Certificate of Mailing Notice of Public Hearing

STATE OF COLORADO, CITY OF LOVELAND

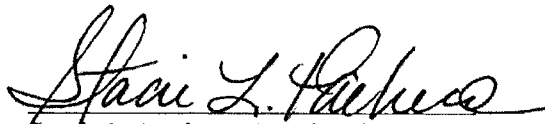
CERTIFICATION OF MAILING NOTICE OF HEARING AND PUBLICATION

IN RE THE ORGANIZATION OF KINSTON METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, AND 10, CITY OF LOVELAND, STATE OF COLORADO

IT IS HEREBY CERTIFIED by the undersigned, as follows:

1. That, the City Council for the City of Loveland, Larimer County, Colorado, set a public hearing for Tuesday, the 3rd day of September, 2019, at 6:00 p.m., at the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering a Consolidated Service Plan for the organization of the proposed Kinston Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Districts").
2. That, as a part of said action, directions were given that copies of the Notice of Public Hearing be mailed, by first class mail, not more than thirty days nor less than twenty days prior to said hearing, to interested persons, defined as follows: (1) the owners of record of all property within the Title 32 special districts as such owners of record are listed in the Larimer County Assessor's records; (2) the Division of Local Government; (3) 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 (3) miles of the Districts' boundaries.
3. That, in compliance with said directions, a copy of the Notice of Public Hearing, attached as Exhibit A, was deposited in the United States first class mail on August 6, 2019 to owners of record of all property within the Title 32 special districts; the Division of Local Government; and the governing body of any municipalities and special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a three (3) mile radius of the Districts' boundaries, as per the listings attached as Exhibit B.
4. That, as a part of said action, directions were given that the Notice of Public Hearing be published one time in a newspaper of general circulation within the Districts. In compliance with said directions, a copy of the Notice of Public Hearing, attached as Exhibit A, was published on August 6, 2019 in *The Loveland Reporter Herald*, an Affidavit of Publication is attached as Exhibit C.

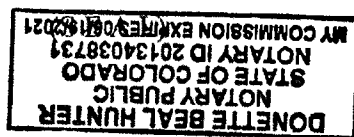
IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of August, 2019.


Stacie L. Pacheco, Paralegal

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The forgoing instrument was acknowledged before me this 6th day of August, 2019.

My commission expires: 06/19/2021




Notary Public

EXHIBIT A

NOTICE OF PUBLIC HEARING

STATE OF COLORADO, CITY OF LOVELAND

NOTICE OF PUBLIC HEARING

IN RE THE ORGANIZATION OF KINSTON METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, AND 10, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that the City Council for the City of Loveland, Colorado, will hold a public hearing at or about 6:00 p.m. on September 3, 2019 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering a Consolidated Service Plan for the organization of proposed special districts to be known as Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Districts"), and to form a basis for adopting a Resolution approving, disapproving, or conditionally approving the Consolidated Service Plan for Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Service Plan"). The proposed Districts are generally located east of Centerra Parkway, north of Union Pacific Railroad, and west of County Road 3 in Loveland, Colorado.

The proposed Districts will be metropolitan districts that may provide for the financing, design, acquisition, installation, construction, operation, and maintenance of public improvements related to water, sanitary sewer, street, traffic and safety control, drainage and stormwater, parks and recreation, transportation, and television relay and translation, and further provide for mosquito and pest control, covenant enforcement, and security, as authorized in the Districts' Service Plan and the Colorado Special District Act. A total mill levy cap of 77 mills is proposed for each District, subject to certain adjustments and release provisions set forth in the Service Plan.

NOTICE IS FURTHER GIVEN that, pursuant to Section 32-1-203(3.5), C.R.S., as amended, any person owning property in the proposed Districts may request that his or her property be excluded from the proposed Districts prior to the City Council's approval of the Service Plan by submitting a request to the City of Loveland City Council stating reasons why said property should not be included in the proposed Districts and requesting that such real property be excluded from the proposed Districts. Such request shall be filed no later than ten (10) days prior to the public hearing on the Service Plan, but the City of Loveland City Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City of Loveland City Council. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

**BY ORDER OF CITY COUNCIL FOR THE CITY
OF LOVELAND, STATE OF COLORADO**

EXHIBIT B

KINSTON METROPOLITAN DISTRICTS NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, AND 10

Property Owners within the Boundaries of the Districts
Taxing Entities within a 3-mile radius of the Boundaries of the Districts
Division of Local Government

Poudre R-1 School District
2407 La Porte Ave
Fort Collins, CO 80521

Larimer County
P. O. Box 1190
Fort Collins, CO 80522

Poudre Valley Fire Protection District
102 Remington St
Fort Collins, CO 80524

Thompson Valley Health Services District
4480 Clydesdale Parkway
Loveland, CO 80538

Larimer County Pest Control
P. O. Box 1190
C/O Larimer County
Fort Collins, CO 80521

Fort Collins - Loveland Water District
5150 Snead Drive
Fort Collins, CO 80525-3764

Poudre River Public Library District
c/o Seter & Vander Wall, P.C.
7400 E Orchard Rd, Ste 3300
Greenwood Village, CO 80111

Northern Colorado Water Conservancy District
Mr. Eric Wilkinson
220 Water Avenue
Berthoud, CO 80513-9245

Health Services District of Northern Larimer County
120 Bristlecone Drive
Fort Collins, CO 80524

Windsor-Severance Fire Protection District
100 N 7th Street
Windsor, CO 80550

South Fort Collins Sanitation District
5150 Snead Drive
Fort Collins, CO 80525-3764

City of Loveland
500 East Third Street
Loveland, Co 80537

Town of Windsor
301 Walnut Street
Windsor, CO 80550

Windsor Highlands Metropolitan Districts Nos. 1 – 11
6795 Crystal Downs Drive
Windsor, CO 80550

Thompson R-2J School District
2890 N. Monroe Avenue
Loveland, CO 80537

Loveland Rural Fire Protection District
C/O Gregory A. White
1423 West 29th Street
Loveland, CO 80538

Centerra Metropolitan Districts Nos. 1 – 5
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S Monaco St, Ste 360
Denver, Co 80237

Little Thompson Water District
835 East Highway 56
Drawer G
Berthoud, CO 80513

US 34/Crossroads Corridor Renewal Plan
City of Loveland-Long Range Plng.
500 East Third
Loveland, CO 80537

The Lakes at Centerra Metropolitan Districts Nos. 1-3
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Brands Metropolitan Districts Nos. 1 – 4
c/o White Bear Ankele Tanaka & Waldron
2154 E Commons Ave, Ste 2000
Centennial, CO 80122

Brands West Metropolitan Districts Nos. 1 – 4
c/o White Bear Ankele Tanaka & Waldron
2154 E Commons Ave, Ste 2000
Centennial, CO 80122

Brands East Metropolitan Districts Nos. 1 – 4
c/o White Bear Ankele Tanaka & Waldron
2154 E Commons Ave, Ste 2000
Centennial, CO 80122

Berthoud-Heritage Metropolitan Districts Nos. 8 – 10
c/o Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537

VDW Metropolitan Districts Nos. 1 – 3
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Waterfall Metropolitan District No. 1
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Lakeview Metropolitan District
c/o David M. Summers
5775 Big Canon Drive
Greenwood Village, CO 80111

Highpointe Vista Metropolitan District No. 2
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Town of Johnstown
P. O. Box 609
Johnstown, CO 80534

Thompson Crossing Metropolitan Districts Nos. 1 & 2
C/O Nathan Gerrard
27154 CR 13
Loveland, CO 80534

Thompson Crossing Metropolitan Districts Nos. 3 – 6
C/O Jennifer L. Ivey, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Thompson Rivers Park and Recreation District
320 Centennial Drive, B
Milliken, CO 80543

Johnstown North Metropolitan Districts Nos. 1 – 3
c/o Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Ste. 360
Denver, CO 80237

Encore on 34 Metropolitan Districts Nos. 1 – 3
c/o Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537

Johnstown Plaza Metropolitan District
c/o Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537

Villages at Johnstown Metropolitan Districts Nos. 1 – 8
c/o White Bear Ankele Tanaka & Waldron
2154 E Commons Ave, Ste 2000
Centennial, CO 80122

Centerra Properties West, LLC
2725 Rocky Mountain Ave, Ste 200
Loveland, CO 80538

McWhinney Real Estate Services, Inc.
2725 Rocky Mountain Ave, Ste 200
Loveland, CO 80538

Division of Local Government
1313 Sherman Street, Rm. 521
Denver, CO 80203

EXHIBIT C

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO, CITY OF LOVELAND

NOTICE OF PUBLIC HEARING

IN RE THE ORGANIZATION OF KINSTON METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, AND 10, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that the City Council for the City of Loveland, Colorado, will hold a public hearing at or about 6:00 p.m. on September 3, 2019 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering a Consolidated Service Plan for the organization of proposed special districts to be known as Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Districts"), and to form a basis for adopting a Resolution approving, disapproving, or conditionally approving the Consolidated Service Plan for Kinston Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 (the "Service Plan"). The proposed Districts are generally located east of Centerra Parkway, north of Union Pacific Railroad, and west of County Road 3 in Loveland, Colorado.

The proposed Districts will be metropolitan districts that may provide for the financing, design, acquisition, installation, construction, operation, and maintenance of public improvements related to water, sanitary sewer, street, traffic and safety control, drainage and stormwater, parks and recreation, transportation, and television relay and translation, and further provide for mosquito and pest control, covenant enforcement, and security, as authorized in the Districts' Service Plan and the Colorado Special District Act. A total mill levy cap of 77 mills is proposed for each District, subject to certain adjustments and release provisions set forth in the Service Plan.

NOTICE IS FURTHER GIVEN that, pursuant to Section 32-1-203(3.5), C.R.S., as amended, any person owning property in the proposed Districts may request that his or her property be excluded from the proposed Districts prior to the City Council's approval of the Service Plan by submitting a request to the City of Loveland City Council stating reasons why said property should not be included in the proposed Districts and requesting that such real property be excluded from the proposed Districts. Such request shall be filed no later than ten (10) days prior to the public hearing on the Service Plan, but the City of Loveland City Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City of Loveland City Council. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

BY ORDER OF CITY COUNCIL FOR THE CITY OF LOVELAND, STATE OF COLORADO
Published: Loveland Reporter Herald August 6, 2019--1623892

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Larimer
State of Colorado

The undersigned, JD Geddes, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Loveland Reporter Herald*.
2. The *Loveland Reporter Herald* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Larimer County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Loveland Reporter Herald* in Larimer County on the following date(s):

Aug 6, 2019

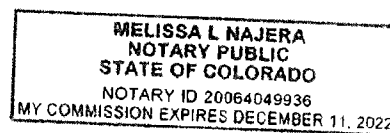
Signature

Subscribed and sworn to before me this

6th day of August, 2019.

Melissa L Najera
Notary Public

(SEAL)



Account: 1051343
Ad Number: 1623892
Fee: \$49.30

EXHIBIT D

Intergovernmental Agreement Concerning Mill Levy Cap for Centerra Metropolitan District No.

**INTERGOVERNMENTAL AGREEMENT CONCERNING MILL LEVY CAP FOR
CENTERRA METROPOLITAN DISTRICT NO. 3**

THIS INTERGOVERNMENTAL AGREEMENT CONCERNING MILL LEVY CAP FOR CENTERRA METROPOLITAN DISTRICT NO. 3 (this "Agreement") is made and entered into this ____ day of _____, 2019, by and among CENTERRA METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado ("CMD 3"); KINSTON METROPOLITAN DISTRICT NO. 1, KINSTON METROPOLITAN DISTRICT NO. 2, KINSTON METROPOLITAN DISTRICT NO. 3, KINSTON METROPOLITAN DISTRICT NO. 4, KINSTON METROPOLITAN DISTRICT NO. 5, KINSTON METROPOLITAN DISTRICT NO. 6, KINSTON METROPOLITAN DISTRICT NO. 7, KINSTON METROPOLITAN DISTRICT NO. 8, and KINSTON METROPOLITAN DISTRICT NO. 9, collectively, quasi-municipal corporations and political subdivisions of the State of Colorado (the "Kinston Districts"), and CITY OF LOVELAND, COLORADO, a Colorado home-rule municipal corporation (the "City"). CMD 3, the Kinston Districts, and the City may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, CMD 3, together with Centerra Metropolitan Districts Nos. 1, 2 and 4, were formed pursuant to Section 32-1-101 *et seq.*, C.R.S., by order of the District Court for Larimer County, Colorado, and after approval of the eligible electors of the Districts at an organization election held on May 4, 2004, for the purpose of assisting in the financing and development of the area generally located at the intersection of U.S. Interstate 25 and U.S. Highway 34 ("Centerra Development"); and

WHEREAS, pursuant to the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1-4, approved by the City Council of the City of Loveland, Colorado (the "City") on January 20, 2004 ("Centerra Service Plan"), the maximum mill levy that CMD 3 may impose for the payment of general obligation debt and for operations and maintenance is 50 mills, subject to adjustment as set forth in the Centerra Service Plan ("CMD 3 Service Plan Mill Levy Cap"); and

WHEREAS, on January 20, 2004, the City Council of the City of Loveland, Colorado, by Resolution No. R-6-2004, approved that certain Centerra Master Financing and Intergovernmental Agreement (the "MFA"), which sets forth the means by which a portion of the Centerra Development will be financed, constructed and maintained; and

WHEREAS, as required by Section 5.7 of the MFA, Centerra Metropolitan District No. 1 ("CMD 1") and CMD 3 entered into an "Intergovernmental Agreement Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement," dated July 29, 2004, as amended by that First Amendment dated May 1, 2008 ("CMD1 IGA"), pursuant to which CMD 3 agreed to certify to the Larimer County Colorado Board of County Commissioners, on an annual basis throughout the term of the MFA, an ad valorem property tax mill levy equal to five (5) mills against all of the taxable real and personal property located within

the boundaries of CMD 3, and to pay to CMD 1, on an annual basis, the revenues generated by the imposition of the five (5) mill levy; and

WHEREAS, CMD 3's obligation to impose the five (5) mill levy, pursuant to the terms of the CMD 1 IGA and MFA, terminates on January 20, 2029, the termination date of the MFA ("MFA Termination Date"); and

WHEREAS, the Kinston Districts were formed, together with Kinston Metropolitan District No. 10, pursuant to Section 32-1-101 *et seq.*, C.R.S., by order of the District Court for Larimer County, Colorado, and after approval of the eligible electors of the Districts at an organizational election held on November 5, 2019, for the purpose of assisting in the financing and development of the area generally located in the eastern area of the Centerra Development; and

WHEREAS, the current and future boundaries of the Kinston Districts overlap with the entire boundary of CMD 3 ("Overlapping Boundary"); and

WHEREAS, prior to the organization of the Kinston Districts, the Board of Directors of CMD 3 ("CMD 3 Board") adopted a resolution on July 19, 2019, pursuant to which the CMD 3 Board (i) acknowledged that the boundaries for the proposed Kinston Districts overlap with the boundary of CMD 3, (ii) consented to the organization of the Kinston Districts; (iii) acknowledged that the Kinston Service Plan will authorize the Kinston Districts to provide the same or similar public improvements and services as CMD 3 is authorized to provide pursuant to the Centerra Service Plan and that CMD 3 does not intend to provide duplicate public improvements and services as may be provided by the Kinston Districts, and (iv) acknowledged that CMD 3 may enter into one or more intergovernmental agreements with one or more of the Kinston Districts to provide for certain public improvements and/or services that would mutually benefit the property within the District and the Kinston Districts; and

WHEREAS, pursuant to the Consolidated Service Plan for Kinston Metropolitan District Nos. 1 – 10, approved by the City on September 3, 2019 ("Kinston Service Plan"), each Kinston District may impose a maximum of 62 mills for the payment of general obligation debt and a maximum of 25 mills to defray operations and maintenance expenses, with a total combined mill levy not to exceed 77 mills, subject to adjustment as set forth in the Kinston Service Plan; and

WHEREAS, to minimize the potential mill levies that could be imposed on property located within the Overlapping Boundary, the Parties desire to enter into this Agreement for purposes of consolidating all understandings and commitments related to the maximum mill levy that may be imposed by CMD 3 on the Overlapping Property.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby confessed and acknowledged, the Parties hereto agree as follows:

1. CMD 3 Mill Levy Cap. CMD 3 hereby acknowledges and agrees that the maximum mill levy that CMD 3 may impose on the Overlapping Property shall not exceed the 5 mills required to be imposed by CMD 3 pursuant to the CMD 1 IGA and MFA ("CMD 3 Mill Levy Cap"). The CMD 3 Mill Levy Cap shall terminate upon the MFA Termination Date, and thereafter, CMD 3 shall not impose a mill levy for the payment of general obligation debt and/or to defray operations and maintenance expenses until such time that CMD 3 submits to the City an amendment to the Centerra Service Plan, and such amendment is approved by the City, authorizing CMD 3 to impose a mill levy as further set forth in the amendment.

2. Any notices, demands, or other communications required or permitted to be given by any provision of this Agreement shall be given in writing and shall be delivered in person, by certified mail, postage prepaid, return receipt requested, by a commercial overnight courier that guarantees next day delivery and provides a receipt, or by electronic mail communications ("E-Mail"), and such notices shall be addressed as follows:

If to CMD 3: Centerra Metropolitan District No. 3
c/o Pinnacle Consulting Group, Inc.
550 W. Eisenhower Boulevard
Loveland, CO 80537
Attn: Peggy Dowswell
Email: peggyd@pinnacleconsultinggroupinc.com

With a copy to: Icenogle Seaver Pogue, P.C.
4725 S. Monaco St, Suite 360
Denver, Colorado 80237
Attn: Alan D. Pogue
Email: APogue@ISP-law.com

If to the Kinston Districts: Kinston Metropolitan District Nos. 1 - 9
c/o Pinnacle Consulting Group, Inc.
550 W. Eisenhower Boulevard
Loveland, CO 80537
Attn: Peggy Dowswell
Email: peggyd@pinnacleconsultinggroupinc.com

With a copy to: Icenogle Seaver Pogue, P.C.
4725 S. Monaco St, Suite 360
Denver, Colorado 80237
Attn: Alan D. Pogue
Email: APogue@ISP-law.com

If to the City:

City Attorney
City of Loveland
500 East Third Street
Loveland, CO 80537
Email: CityAttorney@cityofloveland.org

or to such other address as either Party may from time to time specify in writing to the other Party. Notice shall be considered delivered upon delivery by certified mail, overnight courier, E-Mail or upon hand delivery. When using E-Mail to provide notice, the receiving Party must respond via "reply" acknowledging receipt of the E-Mail notification or a read receipt or delivery receipt must be provided to the sender. If the sending Party fails to receive acknowledgement of such receipt, an alternative form of notification must be used.

3. Amendment. This Agreement may be amended from time to time by agreement among the Parties; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the Districts unless the same is in writing and duly executed by all of the Parties.

4. Assignment. Except as expressly provided herein, this Agreement shall not be assigned by any Party hereto without the prior written consent from the non-assigning Parties.

5. Governmental Immunity. Nothing herein shall be construed as a waiver of the rights and privileges of CMD 3, the Kinston Districts, or the City pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as amended from time to time.

6. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

7. Venue. For the resolution of any dispute arising hereunder, venue shall be in the courts of Larimer County, State of Colorado.

8. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

9. Recovery of Costs. In the event of any litigation between or among the Parties hereto concerning the subject matter hereof, the prevailing Party(ies) in such litigation shall be entitled to receive from the losing Party(ies), in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing Party(ies) in such litigation, including reasonable attorneys' fees.

10. Headings. Paragraph headings used herein are for convenience of reference and shall in no way define, limit or prescribe the scope or intent of any provision of this Agreement.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

12. Integration. This Agreement contains the entire agreement between and among the Parties regarding the subject matter hereof, and no statement, promise or inducement made by any Party or the agent of any Party that is not contained in this Agreement or separate written instrument shall be valid or binding.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which (or any combination of which) when signed and delivered by all of the Parties shall be deemed an original, but all of which when taken together shall constitute one (1) agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

CENTERRA METROPOLITAN DISTRICT NO. 3,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Kim L. Perry, President

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

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 2,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 3,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 4,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 5,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 6,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 7,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 8,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

KINSTON METROPOLITAN DISTRICT NO. 9,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: _____

CITY OF LOVELAND, COLORADO,
a municipal corporation

By _____
City Manager

ATTEST:

~~Acting~~ City Clerk

APPROVED AS TO FORM:

Assistant City Attorney