

# KINSTON METROPOLITAN DISTRICT NOS. 1-10

## NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Kim Perry	President	May 2025
Tim DePeder	Vice President	May 2025
Josh Kane	Treasurer & Asst. Secretary	May 2025
Vacant	Secretary	May 2027
Brad Lenz	Asst. Secretary & Asst. Treasurer	May 2027

**Date: February 8, 2024 (Thursday)**

**Time: 1:00 P.M.**

**Place: Microsoft Teams & Teleconference**

[Click here to join the meeting](#)

Meeting ID: 246 015 825 16 Passcode: SoJBzd

**Or call in (audio only)**

[+1 720-721-3140,,370962472#](#) Phone Conference ID: 370 962 472#

### **I. ADMINISTRATIVE ITEMS**

- A. Call to Order.
- B. Declaration of Quorum/Director Disclosure of any Potential Conflicts of Interest.
- C. Approval of Agenda. **(Pages 1-2)**
- D. Consider Appointment of Director for District Nos. 1-10 Board Vacancy.
- E. Public Comment. (Limited to 3-Minutes Per Person).
- F. Director Comment.

### **II. CONSENT AGENDA**

- A. Approval of Minutes – December 14, 2023, Regular Meeting. **(To Be Distributed Under Separate Cover)**
- B. Ratification of Payment of Claims. **(Pages 3-7)**
- C. Unaudited Financial Statements for the period ending December 31, 2023. **(Pages 55-69)**
- D. Ratification of Contract Modifications. **(Page 8)**

### **III. DISTRICT MANAGER ITEMS**

- A. District Manager’s Report. **(To Be Distributed Under Separate Cover)**

### **IV. CAPITAL INFRASTRUCTURE ITEMS**

- A. District Capital Infrastructure Report and District Project Manager Update. **(Pages 9-13)**
- B. Capital Fund Summary Review. **(Pages 14-17)**

Professionally Managed by:  
Pinnacle Consulting Group, Inc.  
550 W. Eisenhower, Loveland, CO 80537  
Phone: 970-617-2474 | FAX: 970-669-3612  
District Email: [KINMDadmin@PCGI.com](mailto:KINMDadmin@PCGI.com)  
District Website: [www.kinstonmd.live](http://www.kinstonmd.live)

**V. LEGAL ITEMS**

- A. AHV Communities Estoppel Certificate. **(Pages 18-21)**
- B. Consideration and Approval of Snow Removal and Maintenance Policy. **(To Be Distributed Under Separate Cover)**

**VI. FINANCIAL ITEMS**

- A. Finance Manager's Report. **(Page 70)**
- B. Public Hearing regarding the Proposed Amended 2023 Budgets.
- C. Consider Adoption of Amended 2023 Budgets; Consideration and Approval of Resolution to Amend Budgets; and Appropriate Sums of Money. **(Pages 55-69)**

**VII. DIRECTOR ITEMS**

**VIII. OTHER MATTERS**

- IX. EXECUTIVE SESSION** – Pursuant to § 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice on specific legal questions.

**X. ADJOURNMENT**

***\*\*\*The next Regular Meeting is scheduled for March 14, 2024\*\*\****

**Kinston Metropolitan District No. 1**  
**Check Detail**  
December 6, 2023 through February 1, 2024

	Type	Num	Date	Name	Item	Account	Paid Amount
	Bill Pmt -Check	ACH	12/06/2023	Bill.com		1-11000 · Cash - Checking	
	Bill	23125405503	11/30/2023			1-51120 · Office, Dues & Other	85.39
TOTAL							<u>85.39</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-060308 11.23	11/30/2023			1-51400 · Utilities	31.66
TOTAL							<u>31.66</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-056668 11.23	11/30/2023			1-51400 · Utilities	62.57
						1-51400 · Utilities	718.94
TOTAL							<u>781.51</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-059062 11.23	11/30/2023			1-51400 · Utilities	36.44
TOTAL							<u>36.44</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-056670 11.23	11/30/2023			1-51400 · Utilities	31.16
TOTAL							<u>31.16</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-054470 11.23	11/30/2023			1-51400 · Utilities	706.33
						1-51400 · Utilities	47.32
TOTAL							<u>753.65</u>
	Bill Pmt -Check	ACH	12/28/2023	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-059154 11.23	11/30/2023			1-51400 · Utilities	31.44
						1-51400 · Utilities	31.28
TOTAL							<u>62.72</u>
	Bill Pmt -Check	ACH	01/08/2024	City of Loveland		1-11000 · Cash - Checking	
	Bill	0185312-056674 11.23	11/30/2023			1-51400 · Utilities	30.15
						1-51400 · Utilities	1,107.80
TOTAL							<u>1,137.95</u>
	Bill Pmt -Check	Bill.com	12/15/2023	CWC Consulting Group Inc		1072 · Bill.com Money Out Clearing	
	Bill	Inv3294	10/15/2023			3-55804 · Engineering	10,915.75
TOTAL							<u>10,915.75</u>
	Bill Pmt -Check	Bill.com	12/15/2023	Prairie Mountain Media, LLC		1072 · Bill.com Money Out Clearing	
	Bill	2006533	10/15/2023			3-56205 · Permits, Fees and Other	58.50
TOTAL							<u>58.50</u>

**Kinston Metropolitan District No. 1**  
**Check Detail**  
December 6, 2023 through February 1, 2024

	Type	Num	Date	Name	Item	Account	Paid Amount
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>King Surveyors LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	420057	10/15/2023			3-55804 · Engineering	1,737.50
TOTAL							1,737.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>Coyote Ridge Construction LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	13	10/15/2023			3-55801 · Project-Direct	107,081.15
TOTAL							107,081.15
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>GE Construction, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	4176	10/15/2023			3-55801 · Project-Direct	5,400.00
TOTAL							5,400.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25227	10/15/2023			3-56203 · Project Administration	862.50
TOTAL							862.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>McWhinney Real Estate Services, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	415673	10/15/2023			3-55802 · Project Management	9,901.61
TOTAL							9,901.61
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25228	10/15/2023			3-55803 · Project Administration	2,240.00
TOTAL							2,240.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>Norris Design, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	01-84440	10/15/2023			3-55804 · Engineering	426.25
TOTAL							426.25
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/15/2023</b>	<b>McWhinney Real Estate Services, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	415675	10/15/2023			3-56202 · Project Management	2,990.88
TOTAL							2,990.88
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Alexandre Bonato (v)</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	2378267	11/29/2023			1-11515 · AR Other	62.50
TOTAL							62.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Bath, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	SINV-001843	11/15/2023			3-55101 · Project-Direct	21,774.97
TOTAL							21,774.97
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Waterwise Land &amp; Waterscapes Inc</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	05-723-5252	11/15/2023			3-55101 · Project-Direct	845.50
TOTAL							845.50

**Kinston Metropolitan District No. 1**  
**Check Detail**  
December 6, 2023 through February 1, 2024

	Type	Num	Date	Name	Item	Account	Paid Amount
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25372	11/15/2023			3-55203 · Project Administration	1,085.00
TOTAL							1,085.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>John Brethauer</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	2406	11/15/2023			3-55101 · Project-Direct	450.00
TOTAL							450.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25375	11/15/2023			3-56303 · Project Administration	975.00
TOTAL							975.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25376	11/15/2023			3-55103 · Project Administration	2,250.00
TOTAL							2,250.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Kinston Community Association, Inc</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	46234-202305	10/20/2023			1-52600 · HOA Maintenance	1,575.96
TOTAL							1,575.96
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>CMS Environmental Solutions, LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	160766	11/15/2023			3-55101 · Project-Direct	395.00
TOTAL							395.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25370	11/15/2023			3-51040 · District Management, Capital	1,387.50
TOTAL							1,387.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Icenogle Seaver Pogue, P.C.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	24640	11/30/2023			1-51110 · Legal Services	3,170.50
TOTAL							3,170.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>12/28/2023</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25439	11/30/2023			1-51080 · Facilities Management	910.00
						1-51040 · District Management	2,065.00
						1-51000 · Accounting	5,355.00
						1-51120 · Office, Dues & Other	211.58
TOTAL							8,541.58
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>01/09/2024</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25371	11/15/2023			3-55603 · Project Administration	1,312.50
TOTAL							1,312.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>01/09/2024</b>	<b>CMS Environmental Solutions, LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	161301	11/15/2023			3-55601 · Project-Direct	625.00
TOTAL							625.00

**Kinston Metropolitan District No. 1**  
**Check Detail**  
December 6, 2023 through February 1, 2024

	Type	Num	Date	Name	Item	Account	Paid Amount
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>01/09/2024</b>	<b>Norris Design, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	01-85669	11/15/2023		3-55604 · Engineering		220.00
TOTAL							220.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>01/09/2024</b>	<b>Bath, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	SINV-001780	10/15/2023		3-55101 · Project-Direct		645,468.98
TOTAL							645,468.98
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>01/09/2024</b>	<b>Norris Design, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	01-85179	11/15/2023		3-55604 · Engineering		3,052.80
TOTAL							3,052.80
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>Kumar &amp; Associates</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	224182	11/15/2023		3-55804 · Engineering		785.00
TOTAL							785.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>McWhinney Real Estate Services, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	425604	12/15/2023		3-56202 · Project Management		2,990.88
TOTAL							2,990.88
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>Coyote Ridge Construction LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	14	11/15/2023		3-55801 · Project-Direct		74,529.88
TOTAL							74,529.88
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>King Surveyors LLC</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	420238	11/15/2023		3-55804 · Engineering		1,502.00
TOTAL							1,502.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>McWhinney Real Estate Services, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	425603	12/15/2023		3-56202 · Project Management		2,990.88
TOTAL							2,990.88
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25374	11/15/2023		3-55803 · Project Administration		1,890.00
TOTAL							1,890.00
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25373	11/15/2023		3-56203 · Project Administration		1,012.50
TOTAL							1,012.50
	<b>Bill Pmt -Check</b>	<b>Bill.com</b>	<b>02/01/2024</b>	<b>Pinnacle Consulting Group, Inc.</b>		<b>1072 · Bill.com Money Out Clearing</b>	
	Bill	25542	12/15/2023		3-56203 · Project Administration		862.50
TOTAL							862.50

**Kinston Metropolitan District No. 1**  
**Check Detail**  
December 6, 2023 through February 1, 2024

Type	Num	Date	Name	Item	Account	Paid Amount
Liability Check	E-pay	01/25/2024	United States Treasury	1-11000	Cash - Checking	
				24000	Payroll Liabilities	173.60
				24000	Payroll Liabilities	173.60
				24000	Payroll Liabilities	40.60
				24000	Payroll Liabilities	40.60
TOTAL						<u>428.40</u>
Paycheck	DD1078	12/26/2023	Bradley D Lenz	1-11000	Cash - Checking	
				1-51030	Directors' Fees	800.00
				66000	Payroll Expenses	49.60
				24000	Payroll Liabilities	-49.60
				24000	Payroll Liabilities	-49.60
				66000	Payroll Expenses	11.60
				24000	Payroll Liabilities	-11.60
				24000	Payroll Liabilities	-11.60
				2110	Direct Deposit Liabilities	-738.80
TOTAL						<u>0.00</u>
Paycheck	DD1079	12/26/2023	Josh Kane	1-11000	Cash - Checking	0.00
				1-51030	Directors' Fees	400.00
				66000	Payroll Expenses	24.80
				24000	Payroll Liabilities	-24.80
				24000	Payroll Liabilities	-24.80
				66000	Payroll Expenses	5.80
				24000	Payroll Liabilities	-5.80
				24000	Payroll Liabilities	-5.80
				2110	Direct Deposit Liabilities	-369.40
TOTAL						<u>0.00</u>
Paycheck	DD1080	12/26/2023	Kim Perry	1-11000	Cash - Checking	0.00
				1-51030	Directors' Fees	800.00
				66000	Payroll Expenses	49.60
				24000	Payroll Liabilities	-49.60
				24000	Payroll Liabilities	-49.60
				66000	Payroll Expenses	11.60
				24000	Payroll Liabilities	-11.60
				24000	Payroll Liabilities	-11.60
				2110	Direct Deposit Liabilities	-738.80
TOTAL						<u>0.00</u>
Paycheck	DD1081	12/26/2023	Timothy G DePeder	1-11000	Cash - Checking	0.00
				1-51030	Directors' Fees	800.00
				66000	Payroll Expenses	49.60
				24000	Payroll Liabilities	-49.60
				24000	Payroll Liabilities	-49.60
				66000	Payroll Expenses	11.60
				24000	Payroll Liabilities	-11.60
				24000	Payroll Liabilities	-11.60
				2110	Direct Deposit Liabilities	-738.80
TOTAL						<u>0.00</u>
				<b>Total</b>		<b><u>\$ 924,719.45</u></b>

# Contract Modifications for Board Ratification

## Kinston Metropolitan District No. 1

### Kinston - General Capital (KIN-CAP)

<i>Contractor:</i> <b>Merrick &amp; Company</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$50,000.00</b>	<i>Contract #:</i> <b>Cnt-00910</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>1 /15/2024</b>
<i>Modification Scope:</i> <b>2024 Miscellaneous Campus Engineer Hourly Services</b>			<i>Contractor Signed Date:</i> <b>1 /1 /2024</b>

### Kinston O&M (KIN-OM)

<i>Contractor:</i> <b>McWhinney Real Estate Services, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$12,500.00</b>	<i>Contract #:</i> <b>Cnt-00987</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>1 /8 /2024</b>
<i>Modification Scope:</i> <b>Splash Pad Maintenance Services</b>			<i>Contractor Signed Date:</i> <b>1 /8 /2024</b>

<i>Contractor:</i> <b>SWPPP Colorado, LLC</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$3,500.00</b>	<i>Contract #:</i> <b>Cnt-01007</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>1 /10/2024</b>
<i>Modification Scope:</i> <b>Storm Water Structure Maintenance and Reporting Services</b>			<i>Contractor Signed Date:</i> <b>1 /10/2024</b>





To: Kinston Metropolitan District Board of Directors  
 From: Pinnacle Consulting Group, Inc.  
 Subject: District Capital Infrastructure Project Report  
 Board Meeting Date: February 8, 2024

## **BIDDING**

1. Kinston Millennium East 16<sup>th</sup> Phase 2 Public Infrastructure
  - This project consists of public infrastructure to support the residential lots that make up Millennium East 16<sup>th</sup> Subdivision.
  - A pre-bid meeting took place on January 26, 2024 with a bid opening scheduled for February 16, 2024. The bid results will be presented at the March 14, 2024 board meeting.

## **CONTRACTING**

2. Kinston Millennium East 16<sup>th</sup> Public Landscaping (CFS #7)
  - This project consists of public landscaping improvements to support the residential lots that make up Millennium East 16<sup>th</sup> Subdivision.
  - Bid results were presented at the October 12, 2023 board meeting and the board awarded a contract with Bath, Inc. The District is working on finalizing the construction contract.

## **CONSTRUCTION**

3. Kinston Millennium East 14<sup>th</sup> Subdivision Public Infrastructure (CFS #5)
  - This project consists of public infrastructure to support the residential lots that make up Millennium East 14<sup>th</sup> Subdivision.
  - Coyote Ridge Construction is working on the sidewalk at the pedestrian underpass along Elk River. Completion is anticipated in February 2024 pending weather.
4. Kinston Residential Phase 1 Landscaping (CFS #2)
  - This project consists of public landscaping improvements to support the residential lots that make up Phase 1 (ME 10<sup>th</sup>) and the infill lots located within Phase 1B (ME 11<sup>th</sup> PH1) and the landscaping improvements along Centerra Parkway.
  - Bath Landscaping has completed landscaping along Centerra Parkway and is working on finishing up the landscaping along Kinston Parkway. Completion is anticipated in the spring of 2024.
5. Kinston Residential Phase 1 Public Fencing (CFS #2)
  - This project consists of public fencing to support the residential lots that make up Phase 1 (ME10<sup>th</sup>).
  - Custom Fence and Supply has started construction of the fencing and anticipates completion in spring of 2024.

## **WARRANTY**

**Loveland**  
 550 W. Eisenhower Blvd  
 Loveland, CO 80537  
 (970) 669.3611

**Denver**  
 6950 E. Belleview Ave, Suite 200  
 Greenwood Village, CO 80111  
 (303) 333.4380



6. Kinston Millennium East 16<sup>th</sup> Public Infrastructure (CFS #7)
  - This project consists of public infrastructure to support the residential lots that make up Millennium East 16<sup>th</sup> Subdivision.
  - City of Loveland warranty period expires on November 11, 2025. Final acceptance will be requested in October of 2025.
  
7. Kinston Millennium East 15<sup>th</sup> Phase 2 Public Infrastructure (CFS #12)
  - This project consists of public infrastructure to support the residential lots that make up Millennium East 15<sup>th</sup> Subdivision Phase 2.
  - City of Loveland warranty period expires on October 25, 2025. Final acceptance will be requested in September of 2025.
  
8. Kinston Millennium East 15<sup>th</sup> Phase 1 Public Infrastructure (CFS #3)
  - This project consists of public infrastructure to support the residential lots that make up Millennium East 15<sup>th</sup> Subdivision.
  - City of Loveland warranty period expires on October 10, 2025. Final acceptance will be requested in September of 2025.
  
9. Kinston Welcome Center Public Park (CFS #4)
  - This project includes the public infrastructure and landscaping improvements surrounding the Welcome Center building pad site.
  - A final acceptance walk with Bath took place on August 15, 2023 and a punch list has been created. Bath is working on correction of the punch list items.
  
10. Kinston Residential Phase 1 (ME 10<sup>th</sup>) and Phase 1B (ME 11<sup>th</sup> PH1) Public Infrastructure (CFS #2)
  - City streets/storm warranty period expires on January 7, 2024. A Final acceptance walk has been requested from the City of Loveland.
  - City water/sewer warranty period expires on March 2, 2024. Final acceptance will be requested in February of 2024.
  
11. Kinston Residential Phase 1B (ME 11<sup>th</sup> PH1) Public Infrastructure (CFS #2)
  - The punch list for the water and power department has been completed and the District is awaiting the final acceptance letter from the City.
  - City streets/storm warranty expires on July 11, 2024. Final acceptance will be requested in June of 2024.

**Loveland**

550 W. Eisenhower Blvd  
 Loveland, CO 80537  
 (970) 669.3611

**Denver**

6950 E. Belleview Ave, Suite 200  
 Greenwood Village, CO 80111  
 (303) 333.4380

 **PINNACLE**  
CONSULTING GROUP, INC.  
Kinston Phase 1



**Loveland**  
550 W. Eisenhower Blvd  
Loveland, CO 80537  
(970) 669.3611

**Denver**  
6950 E. Belleview Ave, Suite 200  
Greenwood Village, CO 80111  
(303) 333.4380



 **PINNACLE**  
CONSULTING GROUP, INC.  
Kinston ME 14<sup>th</sup>



Elk River Drive  
and ME 14th



ME 14th Pedestrian Trail

**Loveland**  
550 W. Eisenhower Blvd  
Loveland, CO 80537  
(970) 669.3611

**Denver**  
6950 E. Belleview Ave, Suite 200  
Greenwood Village, CO 80111  
(303) 333.4380



 **PINNACLE**  
CONSULTING GROUP, INC.  
Kinston ME 15<sup>th</sup> Phase 1



Kinston ME 16<sup>th</sup> Phase 1



**Loveland**  
550 W. Eisenhower Blvd  
Loveland, CO 80537  
(970) 669.3611

**Denver**  
6950 E. Belleview Ave, Suite 200  
Greenwood Village, CO 80111  
(303) 333.4380

**Kinston Metropolitan District  
Capital Fund Summary  
As of 1/26/2023**

<b>Active Projects</b>							
<b>CFS #</b>	<b>Project Name</b>	<b>Approved Project Budget</b>	<b>Estimated Project Total</b>	<b>Change in Estimated Project Total From Prior Report</b>	<b>Projected Over/(Under) Cost Estimate</b>	<b>Total Expenditures thru 12/31/2023</b>	<b>Estimated Remaining Project Costs</b>
1	General Capital	134,000	134,000	-	-	76,227	57,773
2	Kinston Residential Phase 1 (ME 10th) and 1B (ME 11th)	19,860,358	19,860,459	-	101	19,650,978	209,481
3	Millennium East 15th Subdivision	2,846,704	2,846,704	-	-	2,300,583	546,121
4	Kinston Welcome Center Public Park	1,423,599	1,423,599	-	-	1,404,645	18,954
5	Millennium East 14th Subdivision	8,097,027	8,097,027	-	-	5,699,022	2,398,005
6	Millennium East 13th Subdivision	8,603,079	745,067	-	(7,858,012)	511,418	233,649
7	Millennium East 16th Subdivision	4,401,876	4,401,876	-	-	3,248,554	1,153,322
8	Kinston Welcome Center Park Phase 2	187,440	187,560	-	120	133,179	54,381
9	Millennium East 17th Subdivision	773,558	887,218	-	113,660	478,508	408,710
10	Millennium East 18th Subdivision	1,141,973	1,153,573	-	11,600	641,091	512,482
11	Millennium East 19th Subdivision	1,127,422	1,160,462	-	33,040	572,393	588,069
12	Millennium East 15th Subdivision Phase 2	626,797	626,797	-	-	320,394	306,403
13	Kinston Offsite Drainage	300,000	300,000	-	-	1,582	298,418
<b>Totals</b>		<b>49,523,833</b>	<b>41,824,342</b>	<b>-</b>	<b>(7,699,491)</b>	<b>35,038,574</b>	<b>6,785,768</b>

Anticipated Capital Advance (\$6,067,050)

**Kinston Metropolitan District  
Capital Fund Summary - Detail  
As of 1/26/2023**

	A Approved Project Budget	B Approved Contract Amounts	C Other Projected Costs	D Estimated Projected Total (B+C)	Estimated Projected Total (Prior Month Report)	E Change in Estimated Project Total From Prior Report Incr/(Decr)	F Projected Over/(Under) Project Budget (D-A)	G Total Expenditures thru 12/31/2023	H Remaining Project Costs (D-G)
<b><u>(1) General Capital</u></b>									
District Planning/Engineering Management	25,000	25,000	0	25,000	25,000	0	0	9,248	15,752
District Management	25,000	24,843	0	24,843	24,843	0	(157)	18,487	6,356
District Engineering	84,000	84,000	0	84,000	84,000	0	0	48,335	35,665
Office and Other	0	157	0	157	157	0	157	157	0
	134,000	134,000	0	134,000	134,000	0	0	76,227	57,773
<b><u>(2) Project: Kinston Residential Phase 1 (ME 10th) and 1B (ME 11th)</u></b>									
Indirect Project Costs	2,686,783	2,246,562	0	2,246,562	2,246,562	0	(440,221)	2,246,895	(333)
Direct Project Costs	15,886,971	17,613,628	0	17,613,628	17,613,628	0	1,726,657	17,404,083	209,545
Contingency	1,054,268	0	269	269	269	0	(1,053,999)	0	269
Warranty Maintenance/Repairs	232,336	0	0	0	0	0	(232,336)	0	0
	19,860,358	19,860,190	269	19,860,459	19,860,459	0	101	19,650,978	209,481
<b><u>(3) Project: Millennium East 15th Subdivision</u></b>									
Indirect Project Costs	444,179	546,178	15,000	561,178	561,178	0	116,999	478,263	82,915
Direct Project Costs	2,139,377	1,971,136	296,602	2,267,738	2,267,738	0	128,361	1,822,320	445,418
Contingency	220,360	0	0	0	0	0	(220,360)	0	0
Warranty Maintenance/Repairs	42,788	0	17,788	17,788	17,788	0	(25,000)	0	17,788
	2,846,704	2,517,314	329,390	2,846,704	2,846,704	0	0	2,300,583	546,121
<b><u>(4) Project: Kinston Welcome Center Public Park</u></b>									
Indirect Project Costs	293,396	297,040	0	297,040	297,040	0	3,644	287,808	9,232
Direct Project Costs	1,053,252	1,116,838	0	1,116,838	1,116,838	0	63,586	1,116,837	1
Contingency	64,126	0	9,205	9,205	9,205	0	(54,921)	0	9,205
Warranty Maintenance/Repairs	12,825	0	516	516	516	0	(12,309)	0	516
	1,423,599	1,413,878	9,721	1,423,599	1,423,599	0	0	1,404,645	18,954
<b><u>(5) Project: Millennium East 14th Subdivision</u></b>									
Indirect Project Costs	985,414	651,204	245,582	896,786	896,786	0	(88,628)	619,318	277,468
Direct Project Costs	6,338,286	5,436,825	1,649,950	7,086,775	7,086,775	0	748,489	5,079,704	2,007,071
Contingency	646,561	0	11,700	11,700	11,700	0	(634,861)	0	11,700
Warranty Maintenance/Repairs	126,766	0	101,766	101,766	101,766	0	(25,000)	0	101,766
	8,097,027	6,088,029	2,008,998	8,097,027	8,097,027	0	0	5,699,022	2,398,005
<b><u>(6) Project: Millennium East 13th Subdivision</u></b>									
Indirect Project Costs	1,256,834	745,067	0	745,067	745,067	0	(511,767)	511,418	233,649
Direct Project Costs	6,559,147	0	0	0	0	0	(6,559,147)	0	0
Contingency	655,915	0	0	0	0	0	(655,915)	0	0
Warranty Maintenance/Repairs	131,183	0	0	0	0	0	(131,183)	0	0
	8,603,079	745,067	0	745,067	745,067	0	(7,858,012)	511,418	233,649

**Kinston Metropolitan District  
Capital Fund Summary - Detail  
As of 1/26/2023**

	A Approved Project Budget	B Approved Contract Amounts	C Other Projected Costs	D Estimated Projected Total (B+C)	Estimated Projected Total (Prior Month Report)	E Change in Estimated Project Total From Prior Report Incr/(Decr)	F Projected Over/(Under) Project Budget (D-A)	G Total Expenditures thru 12/31/2023	H Remaining Project Costs (D-G)
<b><u>(7) Project: Millennium East 16th Subdivision</u></b>									
Indirect Project Costs	563,207	451,783	0	451,783	451,783	0	(111,424)	407,020	44,763
Direct Project Costs	3,420,714	3,762,884	98,118	3,861,002	3,861,002	0	440,288	2,841,534	1,019,468
Contingency	349,541	0	20,677	20,677	20,677	0	(328,864)	0	20,677
Warranty Maintenance/Repairs	68,414	0	68,414	68,414	68,414	0	0	0	68,414
	4,401,876	4,214,667	187,209	4,401,876	4,401,876	0	0	3,248,554	1,153,322
<b><u>(8) Project: Kinston Welcome Center Park Phase 2</u></b>									
Indirect Project Costs	187,440	187,560	0	187,560	187,560	0	120	133,179	54,381
Direct Project Costs	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0
Warranty Maintenance/Repairs	0	0	0	0	0	0	0	0	0
	187,440	187,560	0	187,560	187,560	0	120	133,179	54,381
<b><u>(9) Project: Millennium East 17th Subdivision</u></b>									
Indirect Project Costs	773,558	887,218	0	887,218	887,218	0	113,660	478,508	408,710
Direct Project Costs	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0
Warranty Maintenance/Repairs	0	0	0	0	0	0	0	0	0
	773,558	887,218	0	887,218	887,218	0	113,660	478,508	408,710
<b><u>(10) Project: Millennium East 18th Subdivision</u></b>									
Indirect Project Costs	1,081,681	1,093,281	0	1,093,281	1,093,281	0	11,600	580,799	512,482
Direct Project Costs	60,292	60,292	0	60,292	60,292	0	0	60,292	0
Contingency	0	0	0	0	0	0	0	0	0
Warranty Maintenance/Repairs	0	0	0	0	0	0	0	0	0
	1,141,973	1,153,573	0	1,153,573	1,153,573	0	11,600	641,091	512,482
<b><u>(11) Project: Millennium East 19th Subdivision</u></b>									
Indirect Project Costs	1,127,422	1,137,922	22,540	1,160,462	1,160,462	0	33,040	572,393	588,069
Direct Project Costs	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0
Warranty Maintenance/Repairs	0	0	0	0	0	0	0	0	0
	1,127,422	1,137,922	22,540	1,160,462	1,160,462	0	33,040	572,393	588,069
<b><u>(12) Project: Millennium East 15th Subdivision Phase 2</u></b>									
Indirect Project Costs	58,319	68,270	0	68,270	68,270	0	9,951	43,903	24,367
Direct Project Costs	507,570	276,491	221,128	497,619	497,619	0	(9,951)	276,491	221,128
Contingency	50,757	0	50,757	50,757	50,757	0	0	0	50,757
Warranty Maintenance/Repairs	10,151	0	10,151	10,151	10,151	0	0	0	10,151
	626,797	344,761	282,036	626,797	626,797	0	0	320,394	306,403



**Kinston Metropolitan District  
Capital Fund Summary - Detail  
As of 1/26/2023**

	<b>A</b> Approved Project Budget	<b>B</b> Approved Contract Amounts	<b>C</b> Other Projected Costs	<b>D</b> Estimated Projected Total (B+C)	<b>Estimated Projected Total (Prior Month Report)</b>	<b>E</b> Change in Estimated Project Total From Prior Report Incr/(Decr)	<b>F</b> Projected Over/(Under) Project Budget (D-A)	<b>G</b> Total Expenditures thru 12/31/2023	<b>H</b> Remaining Project Costs (D-G)
<b>(13) Project: Kinston Offsite Drainage</b>									
Indirect Project Costs	300,000	264,370	35,630	300,000	300,000	0	0	1,582	298,418
Direct Project Costs	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0
Warranty Maintenance/Repairs	0	0	0	0	0	0	0	0	0
	<b>300,000</b>	<b>264,370</b>	<b>35,630</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>1,582</b>	<b>298,418</b>
<b>Grand Total of all Projects</b>	<b>49,523,833</b>	<b>38,948,549</b>	<b>2,875,793</b>	<b>41,824,342</b>	<b>41,824,342</b>	<b>0</b>	<b>(7,699,491)</b>	<b>35,038,574</b>	<b>6,785,768</b>

ME 16 LDA Escrow (District/Builder Funds)	\$427,083
ME 15 Phase 2 LDA Escrow (District/Builder Funds)	\$291,635
Estimated Remaining Costs*	(\$6,785,768)
Anticipated Capital Advance**	(\$6,067,050)

\* Remaining costs include uncontracted costs of \$2,875,793.

\*\*Funding of \$6,067,050 will be provided through capital advances, pending agreements, and future bond proceeds.

\$21,224,018 is available for contracting through authorized capital advances.

## ESTOPPEL CERTIFICATE

THIS ESTOPPEL CERTIFICATE (“**Estoppel Certificate**”) is made as of \_\_\_\_\_, 2024, by **KINSTON METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**Metropolitan District**”), for the benefit of **ARBOR REALTY SR, INC.**, a Maryland corporation, its successors and assigns (“**Lender**”) and **MHB AHV KINSTON, LLC**, a Delaware limited liability company (“**Borrower**”).

### RECITALS:

A. On April 21, 2022, Borrower purchased certain property legally described on Exhibit A, attached hereto and incorporated herein by reference, in the City of Loveland, County of Larimer, Colorado (the “**Property**”), pursuant to the Amended and Restated Purchase and Sale Agreement entered into on December 2, 2021, and effective as of August 24, 2021, by and between Centerra East Development, Inc., a Delaware corporation, as seller, and Borrower, as purchaser (as amended and assigned from time to time, the “**Purchase Agreement**”).

B. As part of Borrower’s purchase of the Property, Seller, Borrower, and the Metropolitan District entered into that certain Development Agreement (the “**Development Agreement**”) dated as of April 21, 2022.

C. Capitalized terms which are not otherwise defined herein shall have the meanings ascribed for such terms in the Development Covenant and the Development Agreement, as the context may require.

D. Lender has made a construction loan (the “**Loan**”) to Borrower pursuant to that certain Construction Loan Agreement dated April 21, 2022 (the “**Loan Agreement**”), for purposes of constructing certain improvements on the Property, which Loan is secured by, among other things, a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing encumbering the Property.

E. As a condition to making the Initial Advance (as defined in the Loan Agreement) under the Loan, Lender requires that the Metropolitan District make certain representations regarding the Development Agreement.

**NOW, THEREFORE**, as of the date of this Estoppel Certificate, the Metropolitan District hereby certifies to Lender as follows:

1. Except for the Post Initial Advance Site and Infrastructure Improvements (as defined in the Loan Agreement), the Metropolitan District Work (also as defined in the Loan Agreement) has been completed in accordance with the terms and conditions of the Development Agreement, and the costs of completing such Metropolitan District Work have been paid in full.

2. There are no defaults by Seller, Borrower, or the Metropolitan District under the Development Agreement, and no event has occurred which, with the passage of time or giving of notice or both, would constitute a default by Seller, Borrower, or the Metropolitan District under the terms and conditions of the Development Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the party hereto has executed this Estoppel Certificate as of the date of this Estoppel Certificate.

**METROPOLITAN DISTRICT**

**KINSTON METROPOLITAN  
DISTRICT NO. 1,**

a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**Legal Description of the Property**

Lots 1 - 4, inclusive, Block 1,  
 Lots 1 - 14, inclusive, Block 2,  
 Lots 1 - 4, inclusive, Block 3,  
 Lots 1 - 8, inclusive, Block 4,  
 Lots 1 - 8, inclusive, Block 5,  
 Lots 1 - 8, inclusive, Block 6,  
 Lots 1 - 8, inclusive, Block 7,  
 Lots 1 - 8, inclusive, Block 8,  
 Lots 1 - 8, inclusive, Block 9,  
 Lots 1 - 4, inclusive, Block 10,  
 Lots 1 - 6, inclusive, Block 11,  
 Lots 1 - 6, inclusive, Block 12,  
 Lots 1 - 8, inclusive, Block 13,  
 Lots 1 - 12, inclusive, Block 14,  
 Lots 1 - 8, inclusive, Block 15,  
 Lots 1 - 12, inclusive, Block 16,  
 Lots 1 - 8, inclusive, Block 17,  
 Lots 1 - 20, inclusive, Block 18,  
 Lots 1 - 4, inclusive, Block 19,  
 Lots 1 - 6, inclusive, Block 20,  
 Lots 1 - 14, inclusive, Block 21,  
 Lots 1 - 8, inclusive, Block 22,  
 Lots 1 - 4, inclusive, Block 23,  
 Lots 1 - 8, inclusive, Block 24,  
 Lots 1 - 8, inclusive, Block 25,  
 Lots 1 - 4, inclusive, Block 26,  
 Lots 1 - 4, inclusive, Block 27,  
 Lots 1 - 8, inclusive, Block 28,  
 Lots 1 - 4, inclusive, Block 29,  
 Lots 1 - 2, inclusive, Block 30,  
 Lots 1 - 12, inclusive, Block 31,  
 Lot 1, Block 32,  
 Outlots B through O, inclusive,  
 Outlots Q through T, inclusive,  
 Outlot X, and  
 Tracts A through W, inclusive,  
 Millennium East Fourteenth Subdivision to the City of Loveland,  
 County of Larimer,  
 State of Colorado.

## DEVELOPMENT AGREEMENT Kinston

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made as of the 21 day of April, 2022 (the “**Effective Date**”), by and between CENTERRA EAST DEVELOPMENT, INC., a Delaware corporation (“**Developer**”), MHB AHV KINSTON, LLC, a Delaware limited liability company (“**Builder**”), and KINSTON METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Metropolitan District**”). Developer, Builder and the Metropolitan District are sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties**.”

### RECITALS

A. Developer is developing a master planned residential community known as Kinston (the “**Development**”) which is part of a larger mixed-use development located in the City of Loveland (the “**City**”), County of Larimer (the “**County**”), State of Colorado, known as Centerra. The Development is located east of Centerra Parkway, north of the Union Pacific Railroad, west of County Road 3, and one half mile south of Crossroads Boulevard.

B. Pursuant to the terms of the Purchase and Sale Agreement by and between Developer, as seller, and Builder, as purchaser, dated as of August 24, 2021 (as may be amended from time to time, the “**Purchase Agreement**”), Builder is acquiring from Developer that certain platted but unfinished residential property within the Development which is described on **Exhibit A** attached hereto (the “**Property**”), which has been platted by Developer into residential lots for the Builder’s construction of approximately 240 Class A residential rental duplex homes (each a “**Unit**” and collectively, “**Units**”), pursuant to the Plat of Millennium East Fourteenth Subdivision, recorded on March 11, 2022 at Reception No. 20220016372 (the “**Plat**”).

C. Pursuant to the Purchase Agreement, Developer has agreed, at its sole cost and expense, to rough grade the Property (the “**Grading Work**”) pursuant to the grading plans identified in **Exhibit B** (the “**Grading Plans**”). Further, Developer and the Metropolitan District, as applicable, have agreed to construct the offsite infrastructure improvements (the “**Offsite Infrastructure Improvements**”) described on the infrastructure plans identified in **Exhibit C** (the “**Infrastructure Plans**”).

D. Developer and the Metropolitan District have previously entered into that certain Subdivision Development Agreement dated on or around March 8, 2022, and recorded on March 11, 2022 at Reception No. 20220016372, with the City (the “**SDA**”) which relates to certain of Developer’s obligations with regard to public improvements to be constructed in connection with the Millennium East Fourteenth Subdivision (the “**ME 14<sup>th</sup> Subdivision**”) and the Plat, of which the Property is a part of the ME 14<sup>th</sup> Subdivision.

E. Pursuant to the SDA, Developer and the Metropolitan District, as applicable, have agreed to complete, construct, or cause to be constructed the public infrastructure improvements (the “**CCP Work**”) as shown on those certain approved civil construction plans (the “**CCPs**”), as further described in the SDA.

F. The CCP Work encompasses the Grading Work and the Offsite Infrastructure Improvements, so the Grading Work, the Offsite Infrastructure Improvements and the CCP Work may collectively be referred to as the “**Improvements**”. The Infrastructure Plans, the Grading Plans and the CCPs may collectively be referred to as the “**Plans**”.

G. The Parties now desire to enter into this Agreement in order to set forth the terms and conditions under which the Improvements will be constructed by Developer and/or the Metropolitan District at no cost to Builder, together with such other matters as are set forth hereinafter.

## AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer, Metropolitan District, and Builder agree as follows:

1. Incorporation of Recitals. The Parties hereby acknowledge and agree to the Recitals set forth above, which are incorporated herein by this reference.

2. Construction Activities by Constructing Parties.

2.1 The Parties acknowledge and agree that Developer and the Metropolitan District, as applicable, shall complete, construct, or cause to be constructed, (i) the Grading Work and the Offsite Infrastructure Improvements, in the manner set forth hereinafter, and (ii) the CCP Work, as further set forth in the SDA, except as set forth in Section 2.2 below. For purposes of this Agreement, references to the “**Constructing Party(ies)**” shall mean and refer to Developer with respect to the Grading Work and its responsibilities under the SDA, and the Metropolitan District with respect to the Offsite Infrastructure Improvements and its responsibilities under the SDA.

2.2 Pursuant to the SDA, Builder is only responsible for the CCP Work that falls within the area reflected on **Exhibit H-1** attached hereto (the “**Phase 1 Infrastructure Area**”). The Phase 1 Infrastructure Area constitutes a “Construction Phase” (as defined in the SDA) under the SDA. Neither the Builder, nor any future owner of the Property, will be responsible for any obligations under the SDA or the Plat related to the “**Phase 2 Infrastructure Area**” as shown on **Exhibit H-2** attached hereto, which Phase 2 Infrastructure Area constitutes the only other Construction Phase reflected in the CCPs.

2.3 The Parties hereby confirm that the respective obligations and allocation of responsibilities among Developer, Builder and the Metropolitan District set forth in this Development Agreement and the SDA comprise and cover all development, infrastructure, and construction obligations due and owing under the SDA and the Plat as of the date hereof. Upon Builder’s reasonable request, the Constructing Parties shall cooperate with Builder or any first mortgagee of the Property, and supply any further assurances and/or confirmations with respect to the allocation of responsibilities under this Agreement, the SDA, and the Plat, except to the extent that such further assurances and/or confirmations impose any additional obligations or burdens on such Constructing Party(ies).

3. Responsibilities of Constructing Parties.

3.1 Generally. Constructing Parties shall coordinate, administer and oversee the preparation and filing of all applications, filings, submittals, plans and specifications, budgets, timetables and other documents pertaining to construction and installation of the Improvements. Constructing Parties may engage or cause to be engaged contractors and subcontractors who will be responsible for the construction of the Improvements, and suppliers who will be responsible for supplying materials and equipment in connection with the construction of the Improvements (collectively, “**Service Provider(s)**”), pursuant to the Contracts (as hereinafter defined).

3.2 Comply with Legal Requirements. Constructing Parties shall comply with all terms and conditions of applicable law in performing their obligations under this Agreement. Constructing Parties shall promptly provide to Builder copies of all notices filed by Constructing Parties with the City, the County, and all other applicable governmental or quasi-governmental entities or agencies (the “**Approving Authorities**”) related to the Improvements and shall, within three business days of receipt thereof, provide notice to Builder (together with copies of all notices received by Constructing Parties) of any notice received by Constructing Parties alleging any failure to comply with any applicable laws, ordinances, rules, regulations, or lawful orders of the Approving Authorities bearing on the construction of the Improvements.

3.3 Bonds and Assurances. Constructing Parties shall provide to all applicable Approving Authorities any bonds, assurance agreements, or other financial assurances required with respect to the construction and final acceptance of the Improvements.

3.4 Taxes, Fees and Permits. Constructing Parties or the Service Providers shall pay all applicable sales, use, and other similar taxes pertaining to the Improvements, and shall secure and pay for all approvals, easements, assessments, charges, permits and governmental fees, licenses and inspections necessary for proper completion of the Improvements. In any event, Constructing Parties and the Service Providers shall not defer the payment of any use taxes pertaining to the Improvements.

3.5 Dedications. Constructing Parties shall timely make all conveyances and dedications of the Improvements if and as required by the Approving Authorities, free and clear of all liens and encumbrances.

3.6 Insurance. Constructing Parties shall procure and maintain the insurance described in **Exhibit D** attached hereto during the construction of the Improvements.

#### 4. Construction of Improvements.

4.1 Standard of Completion. Constructing Parties shall cause the Offsite Infrastructure Improvements to be constructed in accordance with the Construction Standard and shall obtain preliminary and final acceptance thereof by all Approving Authorities. As used herein, the term “**Construction Standard**” means construction and installation in a good, workmanlike and lien-free manner and in substantial conformity with the Infrastructure Plans, and the applicable requirements of the Approving Authorities. Constructing Parties shall cause the Grading Work to be constructed in accordance with the Grading Plans, in a good, workmanlike and lien-free manner, and the applicable requirements of the Approving Authorities.



4.2 Contracts for Work. Constructing Parties or affiliates and contractors of Constructing Parties shall contract for all of the work and materials comprising the Improvements. Constructing Parties shall have the right to bid, pursue, negotiate, agree to and execute contracts and agreements with Service Providers for the work and materials comprising the Improvements (each a “**Contract**” and collectively, the “**Contracts**”), as the applicable Constructing Party deems necessary or appropriate in its commercially reasonable discretion; provided that the requirements set forth in (i) **Exhibit E**, with respect to the Metropolitan District, and (ii) **Exhibit F**, with respect to the Developer, have been met. Constructing Parties may update and modify the Contracts on their own initiative or as part of negotiations with the Service Providers, provided that (i) any such update or modifications shall not materially adversely impact the applicable Construction Schedule (as defined below) or the rights, obligations, costs, or remedies of Builder hereunder or with respect to the Improvements, and (ii) each Contract shall comply with the requirements set forth in **Exhibit E** and **Exhibit F** hereto, as applicable. Upon receipt of written request from Builder, Constructing Parties shall deliver a copy of each Contract to Builder within five business days after receipt of the written request.

4.3 Commencement and Completion Dates. Constructing Parties shall cause construction of the Improvements to be commenced and completed as follows:

4.3.1 Commencement; Construction Schedule; Completion. Subject to an Uncontrollable Event, the applicable Constructing Party shall commence and complete each component of the Improvements in accordance with the construction schedule set forth on **Exhibit G** attached hereto (the “**Construction Schedule**”), and cause Final Completion of the Improvements to occur on or before the deadline therefor as set forth in the Construction Schedule (the “**Final Completion Deadline**”). Notwithstanding the foregoing, in the event that Builder takes over the construction of the Improvements as contemplated by Section 4.5, below, the Construction Schedule (including any milestone or delivery dates set forth therein) shall be equitably adjusted to provide Builder a reasonable amount of additional time to achieve Final Completion of the Improvements.

4.3.2 Force Majeure. Notwithstanding any contrary provision of this Agreement, the completion dates and all interim milestones (if any) set forth on the Construction Schedule, the Final Completion Deadline, and the time for performance of other obligations of Constructing Parties under the Construction Schedule or this Agreement shall be extended by a period of time equal to any period that such performance or progress in construction of the Improvements is delayed due to any Dispute (as hereinafter defined), delays by an Approving Authority, strike, riot, act of war, act of terrorism, act of violence, unseasonable or intemperate weather, act of God, or any other act, occurrence or non-occurrence beyond the reasonable control of Constructing Parties, notice of which has been provided to Builder (each an “**Uncontrollable Event**”). Notwithstanding the foregoing, delay caused by a Constructing Party’s failure to pay amounts owed under this Agreement or that are otherwise due and payable by such Constructing Party relating to this Agreement or the Improvements, including, without limitation, amounts owed to Service Providers, shall not constitute an Uncontrollable Event, unless such delay is caused by the failure of Builder to timely perform its obligations under this Agreement.

#### 4.4 Final Completion.

4.4.1 Definition of Final Completion. “**Final Completion**” of the Improvements (or applicable component thereof) shall be deemed to have occurred when all of the following have occurred with respect to the Improvements (or applicable component thereof):

- (a) The Offsite Infrastructure Improvements (or applicable component thereof) shall comply with the Construction Standard;
- (b) The Grading Work shall comply with the Grading Plans;
- (c) Any Improvements (or applicable component thereof) that are intended to be dedicated to an Approving Authority shall have been inspected and preliminarily accepted by the applicable Approving Authority (subject to completion of any final punchlist items provided by the City and the Government Warranty Period (as defined below));
- (d) Constructing Parties have completed or corrected all punchlist items provided by the City and Builder affecting the Improvements (or applicable component thereof) in accordance with Section 4.4.2 below; and
- (e) No mechanics’ or materialmen’s liens shall have then been filed against the Property with respect to the Improvements and unconditional final lien waivers have been obtained from the Service Providers that constructed the Improvements (or applicable portion thereof).

#### 4.4.2 Inspection.

(a) Notice to Builder. The applicable Constructing Party shall notify Builder prior to Final Completion of the Improvements (or applicable component thereof), with the date(s) and time(s) the Approving Authorities will inspect such Improvements (or applicable component thereof). Within 10 days after receipt by Builder of such notice from the Constructing Party, Constructing Party and Builder shall jointly inspect the Improvements (or applicable component thereof) and produce a punchlist (“**Builder Punchlist**”). If the Parties are unable to agree upon a punchlist within five days after the joint inspection described above, then any dispute related to such punchlist shall be submitted to arbitration in accordance with Section 5.6 below. Builder shall have the right to be present at all inspections by the Approving Authorities. Constructing Party shall provide Builder with copies of any inspection reports or punchlists received from the Approving Authorities in connection with the inspection of the Improvements, and the applicable Constructing Party shall be responsible for correcting punchlist items from the City and items set forth on the Builder Punchlist. If an Approving Authority grants preliminary approval to any of the Improvements that it will accept for maintenance, it shall conclusively be presumed that such Improvement was completed in accordance with the Construction Standard, subject to completion of the punchlist items provided by the City.

(b) Correction of Punchlist Items. The applicable Constructing Party shall cause any punchlist items to be corrected within the time required by the City or other

applicable Approving Authorities, or such shorter time as may be required pursuant to the Construction Schedule.

(c) Interim Inspections. Upon reasonable prior notice, Builder shall have the right to inspect the construction of the Improvements; provided, however, such inspection shall be (i) at the sole risk of Builder, (ii) such inspection shall be non-invasive and shall be performed in a manner that does not interfere with or result in a delay in the construction of the Improvements, and (iii) Builder shall indemnify the applicable Constructing Party for any damage resulting from such inspection.

#### 4.5 Self-Help Remedy.

4.5.1 Notice of Default. If a Constructing Party: (a) breaches its obligation under this Agreement to complete or cause the completion of any Improvement in accordance with the applicable Infrastructure Plans, Grading Plans, or Construction Schedule (as extended by any Uncontrollable Event); (b) otherwise breaches any material obligation under this Agreement; (c) fails to comply with any material provision of its Contracts with Service Providers beyond any applicable express notice or cure periods; or (d) files a petition for relief in bankruptcy or makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due (each a “**Bankruptcy Event**”), then Builder may deliver written notice of the breach to such Constructing Party (a “**Notice of Default**”). Each of the events set forth in Subsections (a) through (d) inclusive of the preceding sentence shall be herein referred to as a “**Constructing Party Default**.” For any Constructing Party Default other than a Bankruptcy Event, the Constructing Party shall have 30 days after Constructing Party’s receipt of the Notice of Default from Builder to cure the Constructing Party Default (the “**Cure Period**”); provided, however, if the nature of the Constructing Party Default is such that it cannot reasonably be cured within 30 days, the Cure Period shall be deemed extended for a reasonable period of time (not to exceed an additional 90 days) so long as Constructing Party commenced in good faith and with due diligence to cause such Constructing Party Default to be remedied. If Constructing Party does not cause the cure of the Constructing Party Default within the Cure Period (as may be extended pursuant to the preceding sentence, and subject to Uncontrollable Events), or if a Bankruptcy Event occurs (either, an “**Event of Default**”), then Builder may elect to assume and take over the construction of the Improvements by providing written notice to the applicable Constructing Party of its election (the “**Assumption Notice**”). In such event, Builder shall be entitled to reimbursement for the reasonable construction costs incurred to complete the incomplete Improvements plus an administrative fee in an amount equal to 5% of such costs, and the Construction Schedule (including any milestone or delivery dates set forth therein) shall be equitably adjusted to provide Builder a reasonable amount of additional time to achieve Final Completion of the Improvements following the Event of Default of Constructing Party. If Builder does not deliver an Assumption Notice on or before 30 days after expiration of the Cure Period (as may be extended pursuant to the provisions of this Section), then Builder shall be deemed to have waived its rights pursuant to this Section 4.5 with respect to the applicable Event of Default by Constructing Party.

4.5.2 Assumption Right. Subject to any rights of the Approving Authorities, if Builder delivers an Assumption Notice, then: (i) Constructing Parties shall cooperate to allow Builder to take over and complete the incomplete Improvements, including the execution and delivery

to Builder of such agreements, documents or instruments as may be reasonably necessary to assign to Builder all Contracts with third parties pertaining to the Improvements, and to provide legal access as necessary; (ii) Builder shall have all rights of the Constructing Party to perform the work required hereby; (iii) Developer shall remain responsible for any defect or other claim relating to work performed in constructing the Improvements prior to the date of such assumption, but Constructing Party (including Developer, if applicable) shall otherwise be relieved of all further obligations under this Agreement with respect to the completion of the incomplete Improvements subsequent to the date of such assumption; and (iv) Constructing Party (including Developer, if applicable) shall remain liable for (a) its negligence or willful misconduct, and (b) any indemnification obligations specified herein incurred prior to the date of such assumption.

#### 4.6 Warranty Periods

4.6.1 Government Warranty Period. The Approving Authorities may require a warranty period after the Final Completion of the Improvements (a “**Government Warranty Period**”). In the event defects in the Improvements to which a governmental warranty applies become apparent during the Government Warranty Period, then the applicable Constructing Party shall coordinate the repairs with the applicable Approving Authorities and cause the Service Provider(s) who performed the work or supplied the materials in which the defect(s) appear to complete such repairs or, if such Service Providers fail to correct such defects, otherwise cause such defects to be repaired to the satisfaction of the Approving Authorities. Any costs and expenses incurred in connection with any repairs or warranty work performed during the Government Warranty Period (including, but not limited to, any costs or expenses incurred to enforce any warranties against any Service Providers) shall be borne by Developer, unless such defect or damage was caused by Builder or its contractors, subcontractors, employees, or agents, in which event Builder shall pay all such costs and expenses to the extent caused by Builder or its contractors, subcontractors, employees, or agents.

4.6.2 Non-Government Warranty Period. Developer warrants (“**Non-Government Warranty**”) to Builder that each Improvement to which a Governmental Warranty Period does not apply shall have been constructed in accordance with the Construction Standard for one (1) year from the date of Final Completion of the Improvement (the “**Non-Government Warranty Period**”). If Builder delivers written notice to Developer of breach of the Non-Government Warranty during the Non-Government Warranty Period, then Developer shall coordinate the corrections with Builder and cause the Service Provider(s) who performed the applicable work or supplied the applicable materials to complete such corrections or, if such Service Providers fail to make such corrections, otherwise cause such corrections to be made to the reasonable satisfaction of Builder. Any costs and expenses incurred in connection with a breach of the Non-Government Warranty shall be borne by Developer (including, but not limited to, any costs or expenses incurred to enforce any warranties against Service Providers), unless such breach was caused by Builder or its respective contractors, subcontractors, employees, or agents, in which event Builder shall pay all such costs and expenses to the extent caused by Builder or its contractors, subcontractors, employees, or agents.

4.7 License for Construction. Builder hereby grants to Constructing Parties and the Service Providers a temporary, non-exclusive license to enter upon the Property as reasonably necessary for the installation of the Improvements, rough grading of the Property, stubbing of utilities

and/or the performance of each Constructing Party's responsibilities under this Agreement. Builder further agrees to grant such separate written rights of entry and/or licenses in or upon the Property as may be reasonably necessary for installation of the Improvements, rough grading of the Property and stubbing of utilities. No rights of entry and/or licenses over any Property may be exercised in any fashion that would unreasonably interfere with or adversely impact Builder's development thereof. The rights under this Section or any instruments delivered hereunder shall terminate upon the expiration of all Government Warranty Periods.

4.8 Liens. Constructing Parties shall pay, or cause to be paid, when due, all liens and claims for labor and/or materials furnished to the Property pursuant to this Agreement to prevent the filing or recording by any third party of any mechanics', materialmen's or other lien, stop notice or bond claim or any attachments, levies or garnishments (collectively, "**Liens**") affecting the Offsite Infrastructure Improvements. Constructing Parties will, within 20 days after written notice from Builder or after Constructing Parties otherwise become aware of such Liens, terminate the effect of any Liens by filing or recording an appropriate release or bond if so requested by Builder. If Builder requests a Constructing Party to file and obtain any such release or bond and Constructing Party fails to do so within 20 days of such request, Builder may obtain such bond or secure such release on behalf of Constructing Party, and Constructing Party shall reimburse Builder for all costs and fees related thereto within 10 days after receipt of written request therefor.

5. Arbitration of Disputes. Any question, dispute, claim or controversy arising under or in connection with this Agreement on which the Parties cannot agree (a "**Dispute**") shall be resolved by mandatory arbitration in accordance with the Arbitration Rules for the Construction Industry of the American Arbitration Association currently in effect (the "**Rules**"), in accordance with and subject to the following provisions:

5.1 Dispute Notice. If any Party believes that a Dispute exists, it may notify the other Parties thereof, which notice (a "**Dispute Notice**") shall identify the Dispute. As promptly as practicable, and in any event within five days following the delivery of the Dispute Notice, the Parties shall meet in an attempt to resolve the Dispute. If the Dispute cannot be resolved at that meeting, any Party may submit the Dispute to arbitration as hereinafter provided.

5.2 Appointment of Arbitrator. A single arbitrator at the Denver, Colorado office of the Judicial Arbitrator Group shall be the Arbitrator; provided, however, that the individual selected must be recognized in the Denver metropolitan area as having competence in the subject matter of the Dispute, and except as stated in Section 5.6 shall be admitted to practice law in the State of Colorado and shall be experienced in real estate and construction matters. If the affected Parties are unable to agree upon the Arbitrator, then, within 10 days after notice by any affected Party to the others, the affected Constructing Party(ies) shall appoint one Arbitrator at the Judicial Arbitrator Group and Builder shall appoint one Arbitrator at the Judicial Arbitrator, and the appointed arbitrators shall select one Arbitrator to hear the Dispute. The term "**Arbitrator**" as used herein shall mean and refer to the single arbitrator selected pursuant to this Section.

5.3 Conduct of Arbitration. All Parties having a claim relating to the same or substantially the same subject matter shall participate in the same arbitration proceeding to allow the resolution of all claims among all such Parties in a single proceeding. The arbitration proceeding shall be conducted in Denver, Colorado, or at such other location as shall be agreed to in writing by

all affected Parties. The arbitration process shall generally be conducted by the designated Arbitrator in accordance with the Rules, but the Arbitrator shall have discretion to vary from those Rules in light of the nature or circumstances of any particular Dispute. In all events, unless waived by the affected Parties, the Arbitrator will conduct an arbitration hearing at which such Parties and their counsel shall be present and have the opportunity to present evidence and examine the evidence presented by the other Party(ies). The proceedings at the arbitration hearing shall, unless waived by the affected Parties, be conducted under oath and before a court reporter. The Parties shall cooperate in good faith to permit, and the Arbitrator shall render, a decision in the arbitration proceeding within 20 days following the appointment of the Arbitrator. The Parties shall also endeavor to submit a joint statement setting forth each Dispute to be submitted to arbitration, including a summary of each Party's position on each Dispute. In addition, the Arbitrator shall require the non-prevailing Party(ies) to pay all reasonable costs and fees, including attorneys' fees, of the prevailing Party(ies) and costs and fees of the Arbitrator.

5.4 Standards of Conduct. The Parties agree that with respect to all aspects of the arbitration process contained herein they will conduct themselves in a manner intended to assure the integrity and fairness of that process. To that end, if a Dispute is submitted to arbitration, the Parties agree that they will not contact or communicate with the Arbitrator who was appointed as arbitrator with respect to any Dispute either *ex parte* or outside of the contacts and communications contemplated by this Article 5, and the Parties further agree that they will cooperate in good faith in the production of documentary and testimonial evidence in a prompt and efficient manner to permit the review and evaluation thereof by the other Parties.

5.5 Decision. The decision of the Arbitrator with respect to any Dispute shall be final and binding on all Parties and not subject to appeal, in the absence of fraud, and the prevailing Party(ies) may enforce the same by application for entry of judgment in any court of competent jurisdiction or by other procedures established by law.

5.6 Disputes Related to Punchlist Items. Notwithstanding anything to the contrary herein, disputes related to any punchlist item ("**Expedited Disputes**") shall all be resolved by an independent, impartial third party qualified to resolve such disputes as determined by the Parties involved in the Expedited Dispute ("**Informal Arbitrator**"). If such Parties cannot agree on an Informal Arbitrator, then the Constructing Party(ies) involved shall select one registered engineer and Builder shall select one registered engineer and the engineers so selected by such Parties shall promptly select an independent, impartial third party qualified to act as the Informal Arbitrator and resolve the Expedited Dispute. Within five business days after an involved Party delivers a Dispute Notice, the affected Constructing Party and Builder shall deliver to the Informal Arbitrator a written statement of how such Party believes the Expedited Dispute should be resolved, together with reasonable supporting documentation of such position ("**Resolution Notice**"). Within 10 business days after receipt of Resolution Notices from both such Parties, the Informal Arbitrator shall approve one of the Parties' Resolution Notice and shall deliver written notice of such approval to each Party. The decision of the Informal Arbitrator shall be binding on all Parties with respect to the applicable Expedited Dispute. All Parties shall timely cooperate with the Informal Arbitrator in rendering his or her decision. Affected Constructing Party(ies), collectively (if applicable), shall pay one-half and Builder shall pay one-half of the Informal Arbitrator's fees. Each Party shall bear all of its own costs and attorneys' fees in the resolution of any Expedited Dispute. The Parties acknowledge that there is

a benefit to the Parties in having work done as expeditiously as possible and that there is a need for a streamlined method of making decisions described in this Section so that work is not delayed.

6. Progress Meetings. From and after the date of this Agreement and until Final Completion of the Improvements, the Parties shall cause their designated representatives to meet within five business days following a request from a Party regarding the status of construction of the Improvements, scheduling and coordination issues, engineering and design issues, and other similar issues. Any Party may change its designated representative under this Agreement at any time by written notice to the other parties. The initial designated representative for each Party for the purpose of this Section shall be the individual listed on each Party's respective signature page attached hereto.

7. Builder's Stormwater Permit Responsibilities. Prior to Builder engaging in any construction activities upon the Property, Builder shall obtain from the Colorado Department of Public Health, Water Quality Control Division, a Colorado Construction Stormwater Discharge Permit issued to Builder with respect to the Property. No fewer than five business days prior to the initiation of construction activities on the Property, Builder shall deliver a copy of at least one of the following documents to Developer:

7.1.1 Such valid Colorado Construction Stormwater Discharge Permit for the Property;

7.1.2 A signed notice of reassignment of permit coverage (State of Colorado Form COR030000 or current equivalent), that transfers any pre-existing permit coverage for the Property; or

7.1.3 A signed State of Colorado modification form to add the Property if Builder has an existing site permit with the State of Colorado within the Development.

Builder shall also obtain from the City, a Stormwater Quality Permit issued to Builder by the City for the Property. Builder shall be responsible to obtain and maintain any State of Colorado dewatering permits if required for Builder's further construction within the Property. If requested by Developer, Builder shall execute a Notice of Property Conveyance and Change in Responsibility for the Colorado Discharge Permit held by McWhinney Real Estate Services, Inc., a Colorado corporation ("MRES") with respect to the Property. In all cases, Builder shall obtain from the Colorado Department of Public Health & Environment Water Quality Control Division, a Notice of Property Conveyance and Change in Responsibility on a form acceptable to the Colorado Department of Public Health & Environment Water Quality Control Division executed by Builder, for the Colorado Stormwater Discharge Permit held by MRES with respect to the Property prior to any construction by Builder on the Property.

7.2 Constructing Parties' Stormwater Permit responsibilities. The Constructing Parties shall obtain and comply with all necessary permits related to stormwater and erosion control from all Approving Authorities, in relation to the construction, repair, and maintenance of the Improvements.

8. Notices and Communications. All notices, statements, demands, requirements, approvals or other communications and documents ("Communications") required or permitted to be

given, served, or delivered by or to any Party or any intended recipient under this Agreement shall be in writing and shall be given, if to the Constructing Parties, to the addresses set forth in this Section 8, and, if to Builder, to the address set forth on Builder's counterpart signature page attached hereto ("**Notice Address**"). Communications to a Party shall be deemed to have been duly given (i) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at the Notice Address for such Party; or (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by an overnight courier service to the Party to whom notice is given at the Notice Address for such Party; or (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the Party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid, to the Notice Address specified for such Party. Communications may be sent as a courtesy via electronic mail message but doing so shall not constitute official notice pursuant to this Section, and failure to send a courtesy electronic mail message shall not otherwise impact a notice or other Communications provided under (i), (ii) or (iii) above. The Notice Address for each of the Constructing Parties is as follows:

To Developer:

Centerra East Development, Inc.  
 Attention: Abby Kirkbride  
 2725 Rocky Mountain Avenue, Suite 200  
 Loveland, CO 80538  
 E-mail: Abby.Kirkbride@mcwhinney.com

with a copy to:

Centerra East Development, Inc.  
 Attention: SVP & General Counsel  
 1800 Wazee Street, Suite 200  
 Denver, Colorado 80202  
 E-mail: legalnotices@mcwhinney.com

with a copy to:

Brownstein Hyatt Farber Schreck, LLP  
 Attention: Gregory A. Vallin  
 410 17<sup>th</sup> Street, Twenty-second Floor  
 Denver, CO 80202-4437  
 E-mail: gvallin@bhfs.com

To The Metropolitan District:

Pinnacle Consulting Group Inc.  
 C/O Ryan Abbott, District Manager  
 550 W. Eisenhower Blvd.  
 Loveland, CO 80537  
 Email: ryana@pcgi.com



9. Attorneys' Fees. Except as provided in Section 5.6, should any action be brought in connection with this Agreement, including, without limitation, actions based on contract, tort or statute, the prevailing Party in such action shall be awarded all costs and expenses incurred in connection with such action, including reasonable attorneys' fees. The provisions of this Section shall survive the expiration or termination of this Agreement.

10. Further Acts. Each of the Parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

11. No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement among the Parties hereto. Except for the rights in favor of any Mortgagee (as defined below) set forth in Section 21 below, no term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a Party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

12. Entire Agreement; Headings for Convenience Only; Not to be Construed Against Drafter; No Implied Waiver. This Agreement and all other written agreements among the Parties constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof. No change or addition is to be made to this Agreement except by written amendment executed by Developer and Builder. The headings, captions and titles contained in this Agreement are intended for convenience of reference only and are of no meaning in the interpretation or effect of this Agreement. This Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been initially drafted by one of the Parties or its counsel, since all Parties have contributed substantially and materially to the preparation hereof. No failure by a Party to insist upon the strict performance of any term, covenant or provision contained in this Agreement, no failure by a Party to exercise any right or remedy under this Agreement, and no acceptance of full or partial payment owed to a Party during the continuance of any default by one of the other Parties, shall constitute a waiver of any such term, covenant or provision, or a waiver of any such right or remedy, or a waiver of any such default unless such waiver is made in writing by the Party to be bound thereby. Any waiver of a breach of a term or a condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a default under this Agreement, from having all the force and effect of a default.

13. Governing Law. This Agreement is entered into in Colorado and shall be construed and interpreted under the law of the State of Colorado without giving effect to principles of conflicts of law which would result in the application of any law other than the law of the State of Colorado.

14. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement and shall not affect the enforceability of the remaining provisions of this Agreement.

15. Assignment; Binding Effect. No Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Parties, which consent may be withheld in any Party's sole and absolute discretion. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

16. Counterparts; Copies of Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. The signature pages from one (1) or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document. This Agreement may be executed and delivered by facsimile or by electronic mail in portable document format (.pdf) or similar means and delivery of the signature page by such method will be deemed to have the same effect as if the original signature had been delivered to the other party. Upon execution of this Agreement by Developer and Builder, Developer shall provide a fully executed copy of this Agreement to Builder for its records.

17. Time of the Essence. Time is of the essence for performance or satisfaction of all requirements, conditions, or other provisions of this Agreement, subject to any specific time extensions set forth herein.

18. Computation of Time Periods. All time periods referred to in this Agreement shall include all Saturdays, Sundays and holidays, unless the period of time specifies business days. If the date to perform any act or give a notice with respect to this Agreement shall fall on a Saturday, Sunday or national holiday, the act or notice may be timely performed on the next succeeding day which is not a Saturday, Sunday or a national holiday, or other day that Escrow Agent is not open for business.

19. Remedies. If any Party is in default of any of its obligations under this Agreement beyond any applicable notice or cure periods, the other Parties may avail themselves of any rights and remedies available at law and equity, but may only recover their actual, out-of-pocket damages (excluding any incidental, consequential or punitive damages) incurred as a result of such default.

20. Jury Waiver. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGO THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE PROVISIONS OF THIS AGREEMENT.

21. Mortgagee Provisions. The Parties hereto acknowledge and agree that Builder may elect to finance its development of the Property. For purposes of this Agreement, any first mortgage, deed of trust or similar security instrument encumbering the Property, as it may be amended, modified and supplemented from time to time, is referred to as a “Mortgage” and each mortgagee, beneficiary or lender holding a Mortgage is referred to herein as a “Mortgagee”. Each Mortgagee is an intended third-party beneficiary of the rights afforded under this Section 21. In furtherance of the foregoing, the Parties hereby agree as follows with respect to each Mortgagee of which Metropolitan District and Developer have notice of:

21.1 Metropolitan District and Developer shall give prompt written notice to each such Mortgagee of any material notice delivered to Builder in connection with this Agreement, including, without limitation, any and all notices of defaults or breaches of the terms of this Agreement (each such default notice, a “Mortgagee Default Notice”);

21.2 There shall not be, without the prior written consent of such Mortgagee, any termination or material amendment of the Agreement, including, without limitation, any amendment that would (i) reduce, in any material respect, the scope of the Metropolitan District's or Developer's respective obligations hereunder, (ii) materially increase any of Builder's obligations or liabilities or its share of any such obligations or liabilities, (iii) materially limit any rights or benefits running in favor of Builder or the Property under this Agreement, including, without limitation, anything that would impact development rights or create or result in use restrictions, or (iv) amend any portion of this Section 21; and


21.3 Neither Metropolitan District nor Developer shall exercise any of their rights and remedies pursuant to a Builder default hereunder until it has provided the applicable Mortgage Default Notice to such Mortgagee as provided above, and Mortgagee shall have failed to cure, or cause to be cured, such act or omission within the curative period afforded to Builder under the Agreement after receipt of such Mortgage Default Notice. The Parties acknowledges that Mortgagee shall not be obligated to cure or cause the cure of any such Builder default under the Agreement, but if Mortgagee elects to do so in accordance with the terms hereof, Metropolitan District and Developer, as applicable, agree to accept cure by or on behalf of a Mortgagee as that of Builder. As between Builder and any such Mortgagee, any such performance rendered by a Mortgagee on Builder's behalf shall be without prejudice as to such Mortgagee's rights against Builder under such Mortgagee's applicable loan documents with Builder.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first set forth above.

DEVELOPER:

CENTERRA EAST DEVELOPMENT, INC.,  
a Delaware corporation

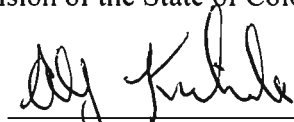
By:   
Name: Bethany Johnson  
Title: SVP, Deputy General Counsel

Designated Representative: Jim Niemczyk

METROPOLITAN DISTRICT:

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

By:

  
\_\_\_\_\_  
Abby Kirkbride, President

Designated Representative: Jim Niemczyk


BUILDER:

**MHB AHV KINSTON, LLC,**  
a Delaware limited liability company

By: MHB AHV Kinston Manager, LLC,  
a Delaware limited liability company,  
its Manager

By: MHB AHV Partners, LLC,  
a Delaware limited liability company,  
its Member

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

By:   
Name: Michael Ray  
Title: EVP, General Counsel

By: AHV MCW WORK, LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Name: Mark S. Wolf  
Title: Manager

BUILDER:

**MHB AHV KINSTON, LLC,**  
a Delaware limited liability company

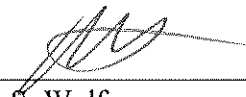
By: MHB AHV Kinston Manager, LLC,  
a Delaware limited liability company,  
its Manager

By: MHB AHV Partners, LLC,  
a Delaware limited liability company,  
its Member

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

By: \_\_\_\_\_  
Name: Michael Ray  
Title: EVP, General Counsel

By: AHV MCW WORK, LLC,  
a Delaware limited liability company,  
its Manager

By:  \_\_\_\_\_  
Name: Mark S. Wolf  
Title: Manager

Builder's Notice Address:

To Builder:

MHB AHV Kinston, LLC  
Attention: Mark S. Wolf  
150 Paularino Avenue, Suite D250  
Costa Mesa, CA 92626  
E-mail: mwolf@ahvcommunities.com

with a copy to:

AGC, Master Planned Communities  
Attention: Abby Kirkbride  
1800 Wazee Street, Suite 200  
Denver, Colorado 80202  
E-mail: legalnotices@mcwhinney.com

Designated Representative: \_\_\_\_\_



List of Exhibits

Exhibit A:	Description of Property
Exhibit B:	Grading Plans
Exhibit C:	Infrastructure Plans
Exhibit D:	Required Insurance
Exhibit E:	Requirements for Public Contracts (Metropolitan District)
Exhibit F:	Requirements for Private Contracts (Developer)
Exhibit G:	Construction Schedule
Exhibit H-1:	Phase 1 Infrastructure Area
Exhibit H-2:	Phase 2 Infrastructure Area

Exhibit A  
to  
Development Agreement

**DESCRIPTION OF PROPERTY**

Lots 1 - 4, inclusive, Block 1,  
Lots 1 - 14, inclusive, Block 2,  
Lots 1 - 4, inclusive, Block 3,  
Lots 1 - 8, inclusive, Block 4,  
Lots 1 - 8, inclusive, Block 5,  
Lots 1 - 8, inclusive, Block 6,  
Lots 1 - 8, inclusive, Block 7,  
Lots 1 - 8, inclusive, Block 8,  
Lots 1 - 8, inclusive, Block 9,  
Lots 1 - 4, inclusive, Block 10,  
Lots 1 - 6, inclusive, Block 11,  
Lots 1 - 6, inclusive, Block 12,  
Lots 1 - 8, inclusive, Block 13,  
Lots 1 - 12, inclusive, Block 14,  
Lots 1 - 8, inclusive, Block 15,  
Lots 1 - 12, inclusive, Block 16,  
Lots 1 - 8, inclusive, Block 17,  
Lots 1 - 20, inclusive, Block 18,  
Lots 1 - 4, inclusive, Block 19,  
Lots 1 - 6, inclusive, Block 20,  
Lots 1 - 14, inclusive, Block 21,  
Lots 1 - 8, inclusive, Block 22,  
Lots 1 - 4, inclusive, Block 23,  
Lots 1 - 8, inclusive, Block 24,  
Lots 1 - 8, inclusive, Block 25,  
Lots 1 - 4, inclusive, Block 26,  
Lots 1 - 4, inclusive, Block 27,  
Lots 1 - 8, inclusive, Block 28,  
Lots 1 - 4, inclusive, Block 29,  
Lots 1 - 2, inclusive, Block 30,  
Lots 1 - 12, inclusive, Block 31,  
Lot 1, Block 32  
Outlots B through O, inclusive  
Outlots Q through T, inclusive  
Outlot X, and  
Tracts A through W, inclusive,  
Millennium East Fourteenth Subdivision,  
County of Larimer,  
State of Colorado.

Exhibit B  
to  
Development Agreement

**GRADING PLANS**

All grading plans listed on Sheets 1, 2, and 6 through 20 on the Civil Construction Plans for the Millennium East Fourteenth Subdivision, prepared by CWC Consulting Group and approved by the City of Loveland on December 3, 2021.

Exhibit C  
to  
Development Agreement

**INFRASTRUCTURE PLANS**

All infrastructure plans identified on Sheets 1–3, 21–132 on the Civil Construction Plans for the Millennium East Fourteenth Subdivision, prepared by CWC Consulting Group and approved by the City of Loveland on December 3, 2021.

Exhibit D  
to  
Development Agreement

**REQUIRED INSURANCE**

Constructing Parties shall maintain the amounts and types of insurance described below and shall cause the Service Providers to maintain such coverages from insurance companies licensed to do business in the State of Colorado having a Best's Insurance Report Rating of A/VI or better covering the risks described below:

A. Commercial General Liability Insurance (including premises, operations, products, completed operations, and contractual liability coverages) in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, One Million Dollars (\$1,000,000.00) personal injury and advertising injury, and Two Million Dollars (\$2,000,000.00) General Aggregate.

B. Automobile Liability Insurance for all motor vehicles operated by or for Constructing Party, including owned, hired, and non-owned autos, with minimum Combined Single Limit for Bodily Injury and Property Damage of One Million Dollars (\$1,000,000.00) for each occurrence.

C. Workers Compensation Insurance for all employees of Constructing Party as required by law, to cover the applicable statutory limits in the State of Colorado and employer's liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000.00) for bodily injury by accident (each accident) and One Million Dollars (\$1,000,000.00) for bodily injury by disease (each employee).

D. With respect to Service Providers that provide professional services (e.g., engineers), professional liability insurance, including prior acts coverage sufficient to cover any and all claims arising out of the services, or a retroactive date no later than the date of commencement of the services, with limits of not less than One Million Dollars (\$1,000,000.00) per claim and Two Million Dollars (\$2,000,000.00) annual aggregate. The professional liability insurance shall be maintained continuously during the term of the Agreement and so long as the insurance is commercially reasonably available, for a period not less than the Government Warranty Period. The professional liability insurance required by this paragraph shall not contain any exclusions or limitations applicable to residential projects.

The following general requirements shall apply to all insurance policies described in this Exhibit.

1. All liability insurance policies, except workers compensation insurance, shall be written on an occurrence basis.

2. All insurance policies required hereunder except Workers Compensation and Employers Liability shall: (i) name the Parties as "additional insureds" utilizing an ACORD form or equivalent acceptable to Constructing Party, excluding, however, insurance policies of Service Providers who provide professional services whose insurance policies do not permit the designation of additional insureds; (ii) be issued by an insurer authorized in the State of Colorado;

and (iii) provide that such policies shall not be canceled or not renewed, nor shall any material change be made to the policy without at least 30 days' prior written notice to the Parties. Each additional insured endorsement (or each policy, by reasonably acceptable endorsement) shall contain a primary insurance clause providing that the coverage afforded to the additional insureds is primary and that any other insurance or self-insurance available to any of the additional insureds is non-contributing. A waiver of subrogation endorsement for the workers' compensation coverage shall be provided in favor of the Parties.

3. The liability insurance policies shall provide that such insurance shall be primary on a non-contributory basis.

4. Service Providers shall provide Constructing Party with certificates evidencing the insurance coverages required by this Exhibit in the certificate form described in Item 2 of this Exhibit, prior to the commencement of any activity or operation which could give rise to a loss to be covered by such insurance. Replacement certificates shall be sent to Constructing Party as policies are renewed, replaced, or modified.

5. The foregoing insurance coverage must be maintained in force at all times during the construction of the Improvements.

Exhibit E  
to  
Development Agreement

**REQUIREMENTS FOR PUBLIC CONTRACTS (METROPOLITAN DISTRICT)**

All Contracts entered into between any Services Providers and the Metropolitan District shall:

- i. Allow for the automatic assignment, without need for further action, of all of the Metropolitan District's rights under the Contract (including, without limitation, the warranty and indemnity provisions thereof), on a non-exclusive basis, to MHB AHV KINSTON, LLC, a Delaware limited liability company ("**Builder**"), in the event that Builder provides written notice to the Metropolitan District of Builder's election to assume and take over the construction of the Offsite Infrastructure Improvements;
- ii. Identify Builder as an intended third-party beneficiary of the Contract;
- iii. Require the Service Provider to name Builder as an additional insured on all required insurance maintained by the Service Provider, except for Workers Compensation Insurance and Professional Liability Insurance;
- iv. Require the Service Providers to provide a warranty on materials and workmanship supplied by such Service Provider for a period coterminous with the warranty period required by the governmental authority to whom the Offsite Infrastructure Improvements will be dedicated, if applicable, but in no event less than one year from the date of Final Completion;
- v. Require the Service Provider to perform its work in accordance with the Construction Standard. The "**Construction Standard**" means: (i) construction and installation in a good, workmanlike manner, and (ii) in substantial conformity with the Contract Documents, the applicable requirements of the governmental authority(ies) having jurisdiction over the Project and/or to whom the Offsite Infrastructure Improvements will be dedicated (as applicable);
- vi. Require the Service Provider to indemnify, defend, and hold harmless the Metropolitan District and Builder from all claims and causes of action arising from the negligent acts or omissions or intentional misconduct of the Service Provider or its employees or agents;
- vii. Require retainage in an amount in compliance with Section 24-91-103(1), C.R.S.;
- viii. Provide the Metropolitan District the right, but not the obligation, to pay subcontractors and suppliers of the Service Provider directly or by joint check (to the maximum extent allowable by law); and
- ix. Provide for no limitation on remedies against the Service Provider for a default except: (i) the prohibition of recovery of punitive damages; and (ii) the Contract may provide for the recovery of either consequential damages or liquidated damages for delays.

Exhibit F  
to  
Development Agreement

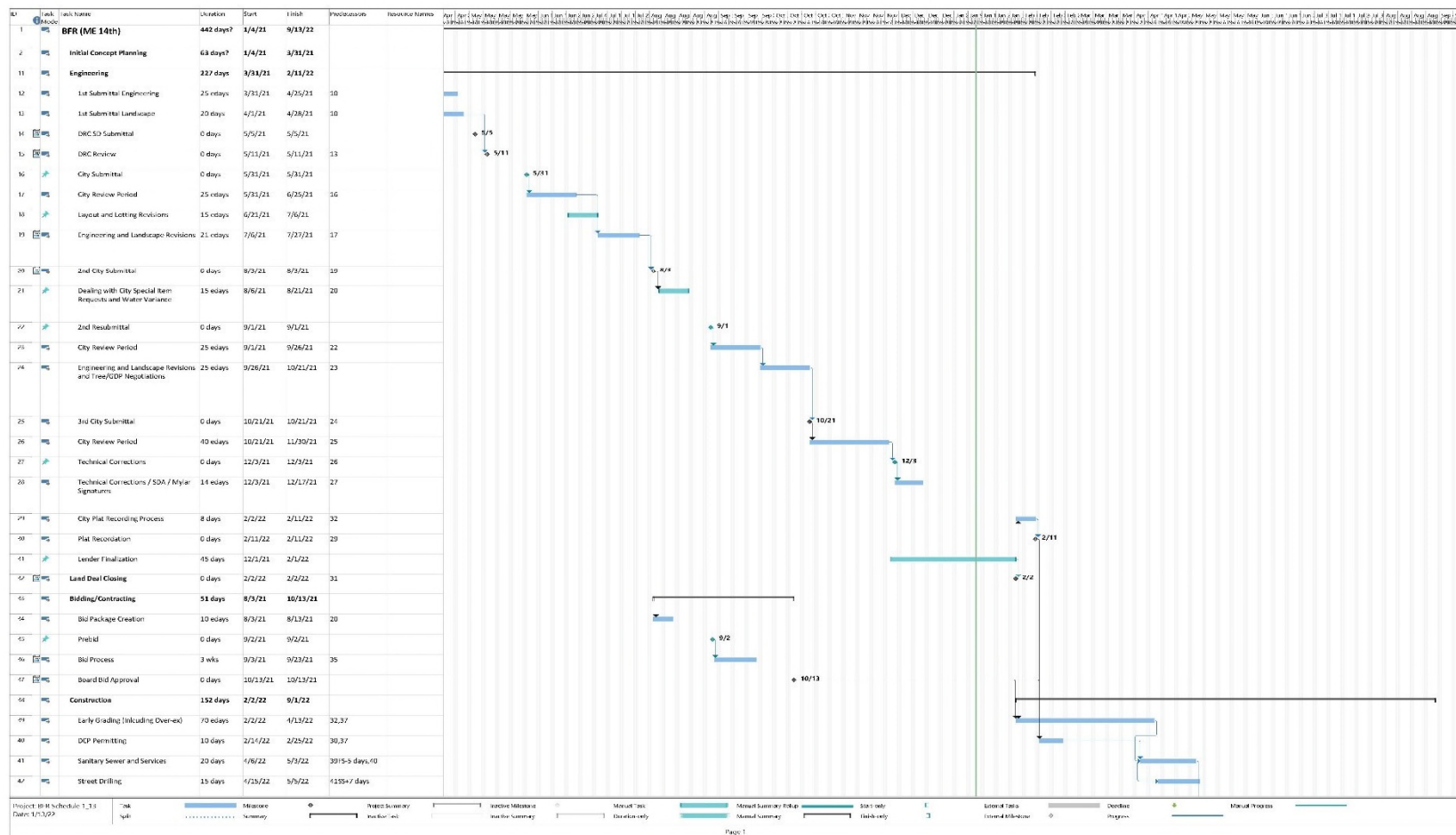
**REQUIREMENTS FOR PRIVATE CONTRACTS (DEVELOPER)**

All Contracts entered into between any Services Providers and the Developer shall:

- i. Allow for the automatic assignment, without need for further action, of all of the Developer's rights under the Contract (including, without limitation, the warranty and indemnity provisions thereof), on a non-exclusive basis, to MHB AHV KINSTON, LLC, a Delaware limited liability company ("**Builder**"), in the event that Builder provides written notice to the Developer of Builder's election to assume and take over the construction of the Grading Work;
- ii. Identify Builder as an intended third-party beneficiary of the Contract;
- iii. Require the Service Provider to name Builder as an additional insured on all required insurance maintained by the Service Provider, except for Workers Compensation Insurance and Professional Liability Insurance;
- iv. Require the Service Provider to perform its work in accordance with the Construction Standard. The "**Construction Standard**" means: (i) construction and installation in a good, workmanlike and lien-free manner, (ii) in substantial conformity with the Grading Plans, and (iii) in accordance with the applicable requirements of the Approving authorities.
- v. Require the Service Provider to indemnify, defend, and hold harmless the Developer and Builder from all claims and causes of action arising from the negligent acts or omissions or intentional misconduct of the Service Provider or its employees or agents;
- vi. Require retainage in an amount of at least 10% of the amounts payable to the Service Provider, until the Service Provider has achieved Final Completion of the Grading Work;
- vii. Provide the Developer the right, but not the obligation, to pay subcontractors and suppliers of the Service Provider directly or by joint check; and
- viii. Provide for no limitation on remedies against the Service Provider for a default except: (i) the prohibition of recovery of punitive damages; and (ii) the Contract may provide for the recovery of either consequential damages or liquidated damages for delays.



# Exhibit G to Development Agreement **CONSTRUCTION SCHEDULE**



ID	Task	Task Name	Duration	Start	Finish	Predecessors	Resource Name(s)
43	Water Main and Services	1.6 days	5/4/22	5/25/22	41		
44	Storm Sewer	10 days	5/19/22	6/1/22	43&5, 5 days		
45	Street Prep	2 days	6/2/22	6/3/22	44		
46	Hyash	2 days	6/6/22	6/7/22	45		
47	Form and Place Curb & Gutter	9 days	6/8/22	6/20/22	46		
48	Base and Pave Bottom Mat Asphalt	7 days	6/21/22	6/29/22	47		
49	Form and Pour Common Driveways and Sidewalk	30 days	7/19/22	8/29/22	36&5&10 days		
50	Water Meter Pits	1.5 edays	8/2/22	8/17/22	49&5&10 days		
51	Signs	3 days	8/30/22	9/1/22	49		
52	Pave Top Mat Asphalt	2 days	6/30/22	7/1/22	48		
53	Striping	2 days	7/4/22	7/5/22	52		
54	Dry Utilities	35 days	6/21/22	8/8/22			
55	Power and Comms	30 days	6/21/22	8/1/22	47		
56	Xcel	25 days	7/5/22	8/8/22	55&5&1.6 edays		
57	As Bulbs and initial Acceptance Walks	15 edays	8/29/22	9/13/22	52,49		
58	Early Permit for Amenity Center Possible	0 days	2/24/22	2/24/22	44		
59	Early Lot Building Permit Possible	0 days	6/29/22	6/29/22	48		
60	Production Lot Availability	0 days	9/13/22	9/13/22	57,55,49,51		

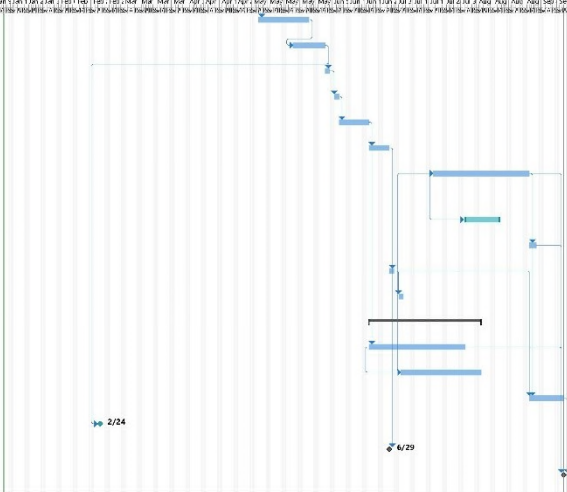
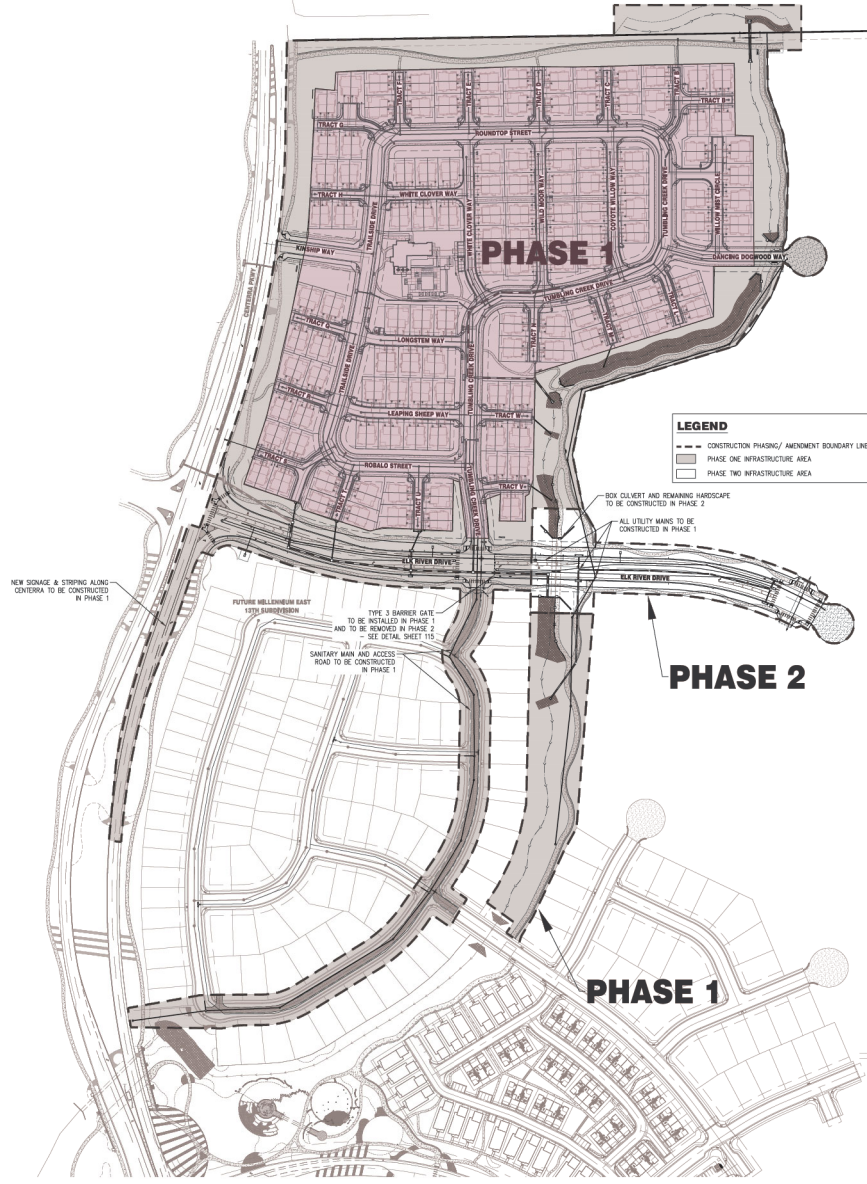


Exhibit H-1  
to  
Development Agreement

**PHASE 1 INFRASTRUCTURE AREA**

\\s0151\work\mcm\141010101.dwg - BE - 11/20/2022 11:01 AM WAB 10247



DOCUMENT AMENDMENTS		
No.	Date	Description
02/27/2022	FINAL	
10/10/2021	3RD SUBMITTAL	
06/25/2021	1ST SUBMITTAL	
04/04/2021	DRG REVIEW	

**McWHINNEY**  
 Contact: KIM FERRY  
 2725 ROCKY MOUNTAIN AVE  
 SUITE 200  
 LOVELAND, CO 80538  
 TEL: (970) 962-9900

MILLENNIUM EAST FOURTEENTH SUBDIVISION  
 CIVIL CONSTRUCTION PLANS  
 PHASE MAP

4650 FERRY AVE. SUITE 200  
 LOAN TREE, COLORADO  
 TELEPHONE: 303.392-2700  
 FAX: 303.392-2701

**CWC CONSULTING GROUP**  
 CIVIL ENGINEERING - LAND SURVEYING -  
 CONSTRUCTION SERVICES



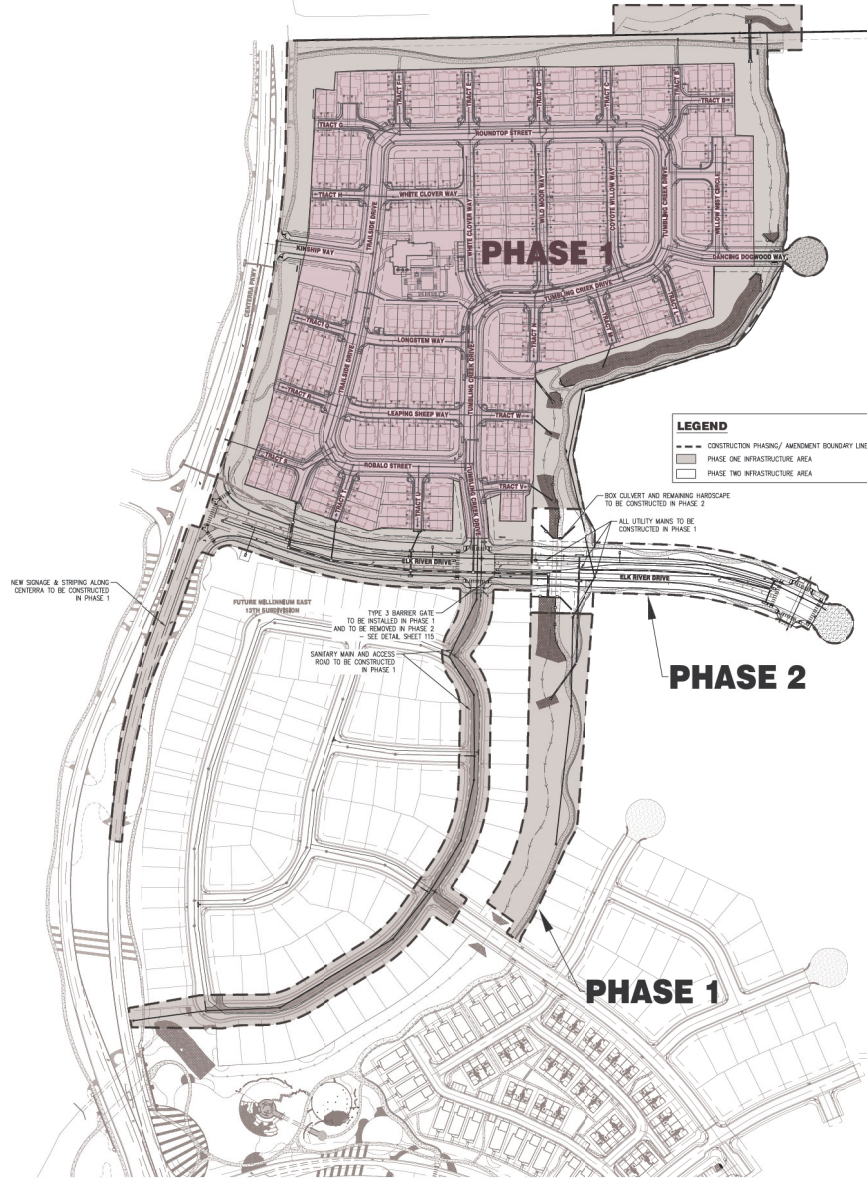
To request marking of underground facilities  
**Know what's below.**  
**Call before you dig.**  
 Call 811 or visit 811.com for more information

It is the contractor's responsibility to contact UNCC a minimum of 2 days prior to the start of construction operations. CWC Consulting Group claims no responsibility for the underground facilities depicted in this plan set.

Project Number: 130-00124125  
 Drawn By: JEC  
 Checked By: DF/MLG  
 Design By: BEC  
 Sheet Number: 5

Exhibit H-2  
to  
Development Agreement

**PHASE 2 INFRASTRUCTURE AREA**



**LEGEND**

- - - CONSTRUCTION PHASING/ AMENDMENT BOUNDARY LINES
- PHASE ONE INFRASTRUCTURE AREA
- PHASE TWO INFRASTRUCTURE AREA

NEW SIGNAGE & STRIPING ALONG CENTERA TO BE CONSTRUCTED IN PHASE 1

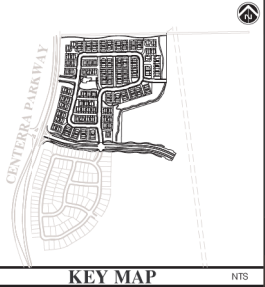
FUTURE MILLENNIUM EAST 15TH BARRIERSIDE

TYPE 3 BARRIER GATE TO BE INCLUDED IN PHASE 1 AND TO BE REMOVED IN PHASE 2 - SEE DETAIL SHEET 115

SANITARY MAIN AND ACCESS ROAD TO BE CONSTRUCTED IN PHASE 1

BOX CULVERT AND REMAINING HARDSCAPE TO BE CONSTRUCTED IN PHASE 2

ALL UTILITY MAINS TO BE CONSTRUCTED IN PHASE 1



City of Loveland		Date	03/16/22
02/27/2022	FINAL	Description	
10/15/2021	3RD SUBMITTAL		
05/25/2021	1ST SUBMITTAL		
06/04/2021	DMC REVIEW		
No.	Date	Description	

**McWHINNEY**

CONTACT: KIM FERRY  
2725 ROCKY MOUNTAIN AVE  
SUITE 200  
LOVELAND, CO 80538  
TEL: (970) 962-9900

MILLENNIUM EAST FOURTEENTH SUBDIVISION  
CIVIL CONSTRUCTION PLANS  
PHASE MAP

4005 E. 15TH AVE., SUITE 200  
LOVELAND, CO 80538  
TEL: (970) 962-9900  
FAX: (970) 962-9701

**CWC CONSULTING GROUP**  
CIVIL ENGINEERING - LAND SURVEYING -  
CONSTRUCTION SERVICES



To request marking of underground facilities

**811**

Know what's below.  
Call before you dig.  
Call 811 or visit call811.com for more information

It is the contractor's responsibility to contact UNCC a minimum of 2 days prior to the start of construction operations. CWC Consulting Group claims no responsibility for the underground facilities depicted in this plan set.

Project Number:	130-00124/125
Drawn By:	JEC
Checked By:	DF/MLG
Designed By:	BEC
Sheet Number:	5





## Management Financial Statements

BOARD OF DIRECTORS  
KINSTON METROPOLITAN DISTRICT NOS. 1-10

We have prepared the accompanying management financial statements for the periods ending as of December 31, 2022 and December 31, 2023. We have also prepared the accompanying adopted budgets of revenues, expenditures and funds available prepared on the modified accrual basis of Kinston Metropolitan District Nos. 1-10 for the year ending December 31, 2024.

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

A handwritten signature in blue ink, appearing to read "Jim Benavise".

Pinnacle Consulting Group, Inc.  
January 31, 2024

### Offices Located in Loveland and Denver

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

*Serving our clients and community through excellent dependable service.*

<b>KINSTON METROPOLITAN DISTRICT NO. 1 &amp; 5</b>						
<b>BALANCE SHEET</b>						
	<b>No. 1</b>	<b>No. 5</b>	<b>Total</b>	<b>No. 1</b>	<b>No. 5</b>	<b>Total</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>12/31/2022</b>	<b>12/31/2022</b>	<b>12/31/2022</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>12/31/2023</b>
<b>Assets</b>						
<b>Current Assets</b>						
Checking	\$ 198,428	\$ -	\$ 198,428	\$ 50,952	\$ -	\$ 50,952
Colostrust	3,606	-	3,606	17,655	-	17,655
Bond Funds	-	1,747,976	1,747,976	-	1,143,309	1,143,309
Bond Surplus Funds	-	10,409	10,409	-	60,348	60,348
Bridgewater Escrow	997,228	-	997,228	173,949	-	173,949
Due from District No. 1	-	2,334	2,334	-	15,732	15,732
Due from District No. 5	19,589	-	19,589	19,589	-	19,589
Accounts Receivable	-	-	-	50	-	50
Property Tax Receivable	-	256	256	-	10,718	10,718
Developer Advance Receivable	1,625,559	-	1,625,559	1,379,786	-	1,379,786
O&M Fee Receivable	-	-	-	4,622	-	4,622
Prepaid Expense	25,554	-	25,554	27,621	-	27,621
Construction Deposits	333,458	-	333,458	333,458	-	333,458
Service Fee Receivable	3	-	3	654	-	654
<b>Total Current Assets</b>	<b>\$ 3,203,425</b>	<b>\$ 1,760,975</b>	<b>\$ 4,964,400</b>	<b>\$ 2,008,336</b>	<b>\$ 1,230,107</b>	<b>\$ 3,238,443</b>
<b>Long-Term Assets</b>						
Construction in Progress	\$ 27,651,207	\$ -	\$ 27,651,207	\$ 37,617,553	\$ -	\$ 37,617,553
<b>Total Long-Term Assets</b>	<b>\$ 27,651,207</b>	<b>\$ -</b>	<b>\$ 27,651,207</b>	<b>\$ 37,617,553</b>	<b>\$ -</b>	<b>\$ 37,617,553</b>
<b>Total Assets</b>	<b>\$ 30,854,632</b>	<b>\$ 1,760,975</b>	<b>\$ 32,615,607</b>	<b>\$ 39,625,889</b>	<b>\$ 1,230,107</b>	<b>\$ 40,855,996</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 2,223,829	\$ -	\$ 2,223,829	\$ 1,226,676	\$ -	\$ 1,226,676
Payroll Liabilities	612	-	612	428	-	428
Retainage Payable	584,949	-	584,949	631,579	-	631,579
Due to District 1	-	19,589	19,589	-	19,589	19,589
Due to District 5	2,334	-	2,334	15,732	-	15,732
Service Fee Payable to District 1	-	-	-	-	-	-
Deferred Property Taxes	-	256	256	-	10,718	10,718
<b>Total Current Liabilities</b>	<b>\$ 2,811,724</b>	<b>\$ 19,845</b>	<b>\$ 2,831,569</b>	<b>\$ 1,874,415</b>	<b>\$ 30,308</b>	<b>\$ 1,904,722</b>
<b>Long-Term Liabilities</b>						
Bonds Payable	\$ -	\$ 23,900,000	\$ 23,900,000	\$ -	\$ 23,900,000	\$ 23,900,000
Operating Advance Payable	773,800	-	773,800	1,101,493	-	1,101,493
Capital Advance Payable	5,567,750	-	5,567,750	13,473,955	-	13,473,955
Capital Advance Interest Payable	67,760	-	67,760	771,618	-	771,618
<b>Total Long-Term Debt</b>	<b>\$ 6,409,310</b>	<b>\$ 23,900,000</b>	<b>\$ 30,309,310</b>	<b>\$ 15,347,065</b>	<b>\$ 23,900,000</b>	<b>\$ 39,247,065</b>
<b>Total Liabilities</b>	<b>\$ 9,221,034</b>	<b>\$ 23,919,845</b>	<b>\$ 33,140,879</b>	<b>\$ 17,221,480</b>	<b>\$ 23,930,308</b>	<b>\$ 41,151,787</b>
<b>Fund Equity</b>						
Net Investment in Fixed Assets	\$ 21,241,897	\$ (23,900,000)	\$ (2,658,103)	\$ 22,270,488	\$ (23,900,000)	\$ (1,629,512)
Fund Balance						
Nonspendable	25,554	-	25,554	27,621	-	27,621
Restricted	317,831	1,741,130	2,058,961	89,256	1,199,800	1,289,055
Unassigned	48,315	-	48,315	17,045	-	17,045
<b>Total Fund Equity</b>	<b>\$ 21,633,598</b>	<b>\$ (22,158,870)</b>	<b>\$ (525,272)</b>	<b>\$ 22,404,409</b>	<b>\$ (22,700,200)</b>	<b>\$ (295,791)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 30,854,632</b>	<b>\$ 1,760,975</b>	<b>\$ 32,615,607</b>	<b>\$ 39,625,889</b>	<b>\$ 1,230,107</b>	<b>\$ 40,855,996</b>
	=	=	=	=	=	=

Modified Accrual Budgetary Basis



<b>KINSTON METROPOLITAN DISTRICT NO. 1</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Audited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/23</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Operating Advances	\$ 333,343	\$ 498,355	\$ 327,693	\$ (170,662)	\$ 328,546
Service Fees District #2	318	2,830	3,156	326	121,367
Service Fees District #3	12	10	11	1	11
Service Fees District #4	37	20	24	4	23
Service Fees District #5	197	52	49	(3)	2,182
Service Fees District #9	13	12	12	-	13
Service Fees District #10	2	2	4	2	185
O&M Fee Revenue	-	-	13,424	13,424	53,250
Other Income	265	-	3,718	3,718	-
<b>Total Revenues</b>	<b>\$ 334,186</b>	<b>\$ 501,281</b>	<b>\$ 348,090</b>	<b>\$ (153,191)</b>	<b>\$ 505,578</b>
<b>Expenditures</b>					
Operations and Maintenance					
Storm Water Facilities	\$ 2,286	\$ 1,000	\$ 595	\$ (405)	\$ 3,500
Amenities	-	12,500	1,505	(10,995)	12,500
Repairs and Maintenance	-	5,000	5,730	730	5,000
HOA Maintenance	-	100,000	47,752	(52,248)	76,700
Utilities	18,093	35,000	37,776	2,776	30,000
Facilities Management	15,101	17,000	12,950	(4,050)	19,500
Administration:					
Accounting and Finance	61,490	67,500	73,605	6,105	79,800
Audit	13,000	14,000	14,000	-	14,000
District Management	57,590	60,500	62,650	2,150	87,800
Director Fees	9,600	14,000	5,600	(8,400)	13,000
Election	2,307	5,000	1,536	(3,464)	1,500
Engineering and Other Professional Svcs	-	20,000	360	(19,640)	15,000
Insurance	24,995	26,246	25,554	(692)	28,876
Legal	69,154	82,500	83,099	599	82,500
Office, Dues, Newsletters & Other	6,818	10,300	4,164	(6,136)	10,800
Website Hosting	-	-	-	-	1,166
Contingency	-	20,000	-	(20,000)	20,000
<b>Total Expenditures</b>	<b>\$ 280,434</b>	<b>\$ 490,546</b>	<b>\$ 376,876</b>	<b>\$ (113,670)</b>	<b>\$ 501,642</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ 53,752</b>	<b>\$ 10,735</b>	<b>\$ (28,786)</b>	<b>\$ (39,521)</b>	<b>\$ 3,936</b>
<b>Beginning Fund Balance</b>	<b>\$ 30,143</b>	<b>\$ 12,326</b>	<b>\$ 83,895</b>	<b>\$ 71,569</b>	<b>\$ 10,477</b>
<b>Ending Fund Balance</b>	<b>\$ 83,895</b>	<b>\$ 23,061</b>	<b>\$ 55,109</b>	<b>\$ 32,049</b>	<b>\$ 14,413</b>
				=	
<b>Components of Ending Fund Balance</b>					
TABOR Reserve (3% of Revenue)	\$ 10,025	\$ 10,025	\$ 10,025		\$ 14,413
Unreserved	73,871	13,036	45,084		-
<b>Total</b>	<b>\$ 83,895</b>	<b>\$ 23,061</b>	<b>\$ 55,109</b>		<b>\$ 14,413</b>
<b>Mill Levy</b>					
Operating	0.000	0.000	0.000		0.000
<b>Total Mill Levy</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>
<b>Assessed Value</b>	<b>\$ 15</b>	<b>\$ 15</b>	<b>\$ 15</b>		<b>\$ 13</b>
<b>Property Tax Revenue</b>					
Operating	-	-	-		-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

Modified Accrual Budgetary Basis

<b>KINSTON METROPOLITAN DISTRICT NO. 1</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>CAPITAL PROJECTS FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Audited</b>	<b>Amended</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Capital Advances - LDA	\$ 2,179,310	\$ 1,944,629	\$ 2,010,007	\$ 65,378	\$ 29,949,320
Capital Advances - Developer	3,388,440	6,279,039	5,896,197	(382,842)	313,466
Cost Share Revenue	3,341,879	8,289,511	-	(8,289,511)	-
Transfer from District No. 5	2,759,696	-	-	-	-
Interest & Other Income	16,655	43,000	44,317	1,317	-
<b>Total Revenues</b>	<b>\$ 11,685,981</b>	<b>\$ 16,556,179</b>	<b>\$ 7,950,522</b>	<b>\$ (8,605,657)</b>	<b>\$ 30,262,786</b>
<b>Expenditures</b>					
District Management	\$ 20,195	\$ 20,000	\$ 18,488	\$ (1,513)	\$ 24,960
District Planning/Engineering Mgmt	20,042	10,000	9,248	(752)	25,000
District Engineering	63,315	50,000	48,335	(1,666)	50,000
Crossroads Boulevard Mitigation	156,242	-	-	-	-
Residential - Ph 1 (ME 10th and ME 11th)	6,380,251	2,330,166	2,083,722	(246,444)	84,803
Millennium East 14th	3,027,588	3,198,008	2,645,153	(552,855)	1,793,602
Welcome Center Park	515,498	18,461	16,790	(1,671)	11,721
Millennium East 13th	359,294	980	2,030	1,050	234,699
Millennium East 15th	1,241,356	962,304	853,680	(108,624)	435,705
Millennium East 16th - Intracts	1,241,174	2,903,357	2,027,908	(875,449)	225,281
Millennium East 17th	461,219	83,338	875	(82,463)	9,493,283
Millennium East 18th	641,351	1,899	774	(1,125)	511,357
Millennium East 19th	427,162	52,628	145,230	92,602	14,805,023
Kinston Millenium East 15th Ph 2		368,989	320,394	(48,595)	75,651
Kinston Millenium East 16th Ph 2		-	-	-	2,600,000
Welcome Center Park Phase 2	113,651	33,131	5,151	(27,980)	26,400
Kinston Offsite Drainage	-	200,000	1,583	(198,418)	100,000
Permits, Fees & Other	333	313	157	(157)	-
Contingency	-	100,000	-	(100,000)	-
<b>Total Capital Expenditures</b>	<b>\$ 14,668,671</b>	<b>\$ 10,333,574</b>	<b>\$ 8,179,515</b>	<b>\$ (2,154,059)</b>	<b>\$ 30,497,485</b>
<b>Revenues over/(under) Expenditures</b>	<b>\$ (2,982,691)</b>	<b>\$ 6,222,605</b>	<b>\$ (228,993)</b>	<b>\$ (6,451,598)</b>	<b>\$ (234,699)</b>
<b>Beginning Fund Balance</b>	<b>\$ 3,290,496</b>	<b>\$ 307,805</b>	<b>\$ 307,805</b>	<b>\$ -</b>	<b>\$ 6,322,605</b>
<b>Ending Fund Balance</b>	<b>\$ 307,805</b>	<b>\$ 6,530,410</b>	<b>\$ 78,813</b>	<b>\$ (6,451,598)</b>	<b>\$ 6,087,906</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 5</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
<b>Revenues</b>					
Property Taxes	\$ 201	\$ 50	\$ 50	\$ -	2,088
Specific Ownership Taxes	-	3	-	(3)	125
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 201</b>	<b>153</b>	<b>\$ 50</b>	<b>\$ (103)</b>	<b>\$ 2,313</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ 197	\$ 52	\$ 49	\$ (3)	\$ 2,182
Treasurer Fees	4	1	1	-	31
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 201</b>	<b>\$ 153</b>	<b>\$ 50</b>	<b>\$ (103)</b>	<b>\$ 2,313</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	15.000	15.000	15.000		15.601
Debt Service	62.000	62.000	62.000		64.486
<b>Total Mill Levy</b>	<b>77.000</b>	<b>77.000</b>	<b>77.000</b>		<b>80.087</b>
<b>Assessed Value</b>	<b>\$ -</b>	<b>\$ 3,326</b>	<b>\$ 3,326</b>		<b>\$ 133,835</b>
<b>Property Tax Revenue</b>					
Operating	-	50	50		2,088
Debt Service	-	206	206		8,630
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ 256</b>	<b>\$ 256</b>		<b>10,718</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 5</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>DEBT SERVICE FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
<b>Revenues</b>					
Property Taxes	\$ 831	\$ 206	\$ 207	\$ 1	\$ 8,630
Specific Ownership Taxes	-	12	-	(12)	518
Service Fees, District 2	1,315	11,699	13,045	1,346	501,652
Service Fees, District 3	49	42	43	1	44
Service Fees, District 4	152	84	100	16	96
Service Fees, District 10	3	3	5	2	223
Interest & Other Income	33,811	5,000	77,774	72,774	48,000
<b>Total Revenues</b>	<b>\$ 36,161</b>	<b>\$ 17,046</b>	<b>\$ 91,174</b>	<b>\$ 74,128</b>	<b>\$ 559,162</b>
<b>Expenditures</b>					
Bond Interest	\$ 625,520	\$ 625,500	\$ 625,500	\$ -	\$ 625,500
Trustee Fees	7,000	7,500	7,000	(500)	7,000
Treasurer's Fees	17	3	5	2	129
Cost of Issuance - DS	12,589	-	-	-	-
Contingency	-	5,000	-	(5,000)	5,000
<b>Total Expenditures</b>	<b>\$ 645,126</b>	<b>\$ 638,003</b>	<b>\$ 632,505</b>	<b>\$ (5,499)</b>	<b>\$ 637,629</b>
<b>Rev Over/(Under) Exp after Other</b>	<b>\$ (608,965)</b>	<b>\$ (620,957)</b>	<b>\$ (541,330)</b>	<b>\$ 79,626</b>	<b>\$ (78,467)</b>
<b>Beginning Fund Balance</b>	<b>\$ 2,350,095</b>	<b>\$ 1,732,318</b>	<b>\$ 1,741,130</b>	<b>\$ 8,812</b>	<b>\$ 1,199,596</b>
<b>Ending Fund Balance</b>	<b>\$ 1,741,130</b>	<b>\$ 1,111,361</b>	<b>\$ 1,199,800</b>	<b>\$ 88,438</b>	<b>\$ 1,121,129</b>
				=	
<b>Components of Ending Fund Balance</b>					
Reserve Requirement (\$1,118,976)	\$ 1,118,976	\$ 1,093,339	\$ 1,118,976	\$ -	\$ 1,111,997
Capitalized Interest	604,630	-	-	-	-
Bond Fund	17,524	18,022	80,824	88,438	9,132
<b>Total</b>	<b>\$ 1,741,130</b>	<b>\$ 1,111,361</b>	<b>\$ 1,199,800</b>	<b>\$ 88,438</b>	<b>\$ 1,121,129</b>

Modified Accrual Budgetary Basis

<b>KINSTON METROPOLITAN DISTRICT NO. 5</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>CAPITAL PROJECTS FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
<b>Revenues</b>					
Interest & Other Income	\$ 262	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>					
Transfer to District No. 1	\$ 2,759,696	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 2,759,696</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ (2,759,434)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Rev Over/(Under) Exp after Other</b>	<b>\$ (2,759,434)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ 2,759,434</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	

Modified Accrual Budgetary Basis

<b>KINSTON METROPOLITAN DISTRICT NO. 2</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
<b>Revenues</b>					
Property Taxes	\$ 1,540	\$ 6,100	\$ 6,136	\$ 36	\$ 596,191
Specific Ownership Taxes	124	8,521	10,229	1,708	35,771
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 1,664</b>	<b>\$ 14,721</b>	<b>\$ 16,365</b>	<b>\$ 1,644</b>	<b>\$ 632,062</b>
Payment for Services to No. 1 - O&M	\$ 318	\$ 2,830	\$ 3,156	\$ 326	\$ 121,367
Payment for Services to No. 5 - Debt	1,315	11,699	13,045	1,346	501,652
Treasurer Fees	31	92	164	72	8,943
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 1,664</b>	<b>\$ 14,721</b>	<b>\$ 16,365</b>	<b>\$ 1,644</b>	<b>\$ 632,062</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	15.000	15.000	15.000		16.861
Debt Service	62.000	62.000	62.000		69.694
<b>Total Mill Levy</b>	<b>77.000</b>	<b>77.000</b>	<b>77.000</b>		<b>86.555</b>
<b>Assessed Value</b>	<b>\$ 20,012</b>	<b>\$ 79,222</b>	<b>\$ 79,222</b>		<b>\$ 6,888,003</b>
<b>Property Tax Revenue</b>					
Operating	300	1,188	1,188		116,139
Debt Service	1,241	4,912	4,912		480,052
<b>Total Property Tax Revenue</b>	<b>\$ 1,541</b>	<b>\$ 6,100</b>	<b>\$ 6,100</b>		<b>596,191</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 3</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ 43	\$ 39	\$ 38	\$ (1)	\$ 53
Specific Ownership Taxes	19	14	17	3	3
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 62</b>	<b>\$ 153</b>	<b>\$ 55</b>	<b>\$ (98)</b>	<b>\$ 156</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ 12	\$ 10	\$ 11	\$ 1	\$ 11
Payment for Services to No. 5 - Debt	49	42	43	1	44
Treasurer Fees	1	1	1	-	1
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 62</b>	<b>\$ 153</b>	<b>\$ 55</b>	<b>\$ (98)</b>	<b>\$ 156</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	15.000	15.000	15.000		16.408
Debt Service	62.000	62.000	62.000		67.821
<b>Total Mill Levy</b>	<b>77.000</b>	<b>77.000</b>	<b>77.000</b>		<b>84.229</b>
<b>Assessed Value</b>	<b>\$ 558</b>	<b>\$ 504</b>	<b>\$ 504</b>		<b>\$ 627</b>
<b>Property Tax Revenue</b>					
Operating	8	8	8		10
Debt Service	35	31	31		43
<b>Total Property Tax Revenue</b>	<b>\$ 43</b>	<b>\$ 39</b>	<b>\$ 39</b>		<b>53</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 4</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
<b>Revenues</b>					
Property Taxes	\$ 109	\$ 100	\$ 100	\$ (0)	\$ 114
Specific Ownership Taxes	82	7	26	19	7
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 191</b>	<b>\$ 207</b>	<b>\$ 126</b>	<b>\$ (81)</b>	<b>\$ 221</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ 37	\$ 20	\$ 24	\$ 4	\$ 23
Payment for Services to No. 5 - Debt	152	84	100	16	96
Treasurer Fees	2	2	2	-	2
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 191</b>	<b>\$ 207</b>	<b>\$ 126</b>	<b>\$ (81)</b>	<b>\$ 221</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	15.000	15.000	15.000		16.450
Debt Service	62.000	62.000	62.000		67.995
<b>Total Mill Levy</b>	<b>77.000</b>	<b>77.000</b>	<b>77.000</b>		<b>84.445</b>
<b>Assessed Value</b>	<b>\$ 1,414</b>	<b>\$ 1,300</b>	<b>\$ 1,300</b>		<b>\$ 1,347</b>
<b>Property Tax Revenue</b>					
Operating	21	20	20		22
Debt Service	88	81	81		92
<b>Total Property Tax Revenue</b>	<b>\$ 109</b>	<b>\$ 100</b>	<b>\$ 100</b>		<b>114</b>



<b>KINSTON METROPOLITAN DISTRICT NO. 6</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	-	-	-	-	-
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer Fees	-	-	-	-	-
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	25.000	25.000	25.000		27.884
Debt Service	0.000	0.000	0.000		0.000
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>		<b>27.884</b>
<b>Assessed Value</b>	<b>\$ 15</b>	<b>\$ 13</b>	<b>\$ 13</b>		<b>\$ 13</b>
<b>Property Tax Revenue</b>					
Operating	-	-	-		-
Debt Service	-	-	-		-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 7</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	-	-	-	-	-
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer Fees	-	-	-	-	-
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	25.000	25.000	25.000		27.884
Debt Service	0.000	0.000	0.000		0.000
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>		<b>27.884</b>
<b>Assessed Value</b>	<b>\$ 15</b>	<b>\$ 13</b>	<b>\$ 13</b>		<b>\$ 13</b>
<b>Property Tax Revenue</b>					
Operating	-	-	-		-
Debt Service	-	-	-		-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 8</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	-	-	-	-	-
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer Fees	-	-	-	-	-
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>	<b>\$ 100</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	25.000	25.000	25.000		27.884
Debt Service	0.000	0.000	0.000		0.000
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>		<b>27.884</b>
<b>Assessed Value</b>	<b>\$ 15</b>	<b>\$ 13</b>	<b>\$ 13</b>		<b>\$ 13</b>
<b>Property Tax Revenue</b>					
Operating	-	-	-		-
Debt Service	-	-	-		-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 9</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ 12	\$ 11	\$ 11	\$ -	\$ 12
Specific Ownership Taxes	1	1	1	-	1
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 13</b>	<b>\$ 112</b>	<b>\$ 12</b>	<b>\$ (100)</b>	<b>\$ 113</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ 13	\$ 12	\$ 12	\$ -	\$ 13
Treasurer Fees	-	-	-	-	-
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 13</b>	<b>\$ 112</b>	<b>\$ 12</b>	<b>\$ (100)</b>	<b>\$ 113</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	25.000	25.000	25.000		27.466
Debt Service	0.000	0.000	0.000		0.000
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>		<b>27.466</b>
<b>Assessed Value</b>	<b>\$ 487</b>	<b>\$ 444</b>	<b>\$ 444</b>		<b>\$ 454</b>
<b>Property Tax Revenue</b>					
Operating	12	11	11		12
Debt Service	-	-	-		-
<b>Total Property Tax Revenue</b>	<b>\$ 12</b>	<b>\$ 11</b>	<b>\$ 11</b>		<b>\$ 12</b>

<b>KINSTON METROPOLITAN DISTRICT NO. 10</b>					
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>					
<b>GENERAL FUND</b>					
	(a)	(b)	(c)	(c-b)	(d)
	<b>2022</b>	<b>2023</b>	<b>Actual</b>	<b>Variance</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Through</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>12/31/2023</b>	<b>12/31/2023</b>	<b>Budget</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ 1	\$ 1	\$ 391
Specific Ownership Taxes	4	5	8	3	23
Interest & Other	-	100	-	(100)	100
<b>Total Revenues</b>	<b>\$ 4</b>	<b>\$ 105</b>	<b>\$ 9</b>	<b>\$ (97)</b>	<b>\$ 514</b>
<b>Expenditures</b>					
Payment for Services to No. 1 - O&M	\$ 1	\$ 2	\$ 4	\$ 2	\$ 185
Payment for Services to No. 5 - Debt	3	3	5	2	223
Treasurer Fees	-	-	-	-	6
Contingency	-	100	-	(100)	100
<b>Total Operating Expenditures</b>	<b>\$ 4</b>	<b>\$ 105</b>	<b>\$ 9</b>	<b>\$ (97)</b>	<b>\$ 514</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
				=	
<b>Mill Levy</b>					
Operating	15.000	15.000	15.000		15.586
Debt Service	27.786	18.000	18.000		18.704
<b>Total Mill Levy</b>	<b>42.786</b>	<b>33.000</b>	<b>33.000</b>		<b>34.290</b>
<b>Assessed Value</b>	<b>\$ 9</b>	<b>\$ 15</b>	<b>\$ 15</b>		<b>\$ 11,394</b>
<b>Property Tax Revenue</b>					
Operating	-	-	-		178
Debt Service	-	-	-		213
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>391</b>



<i>TO:</i>	Kinston Metropolitan District Board of Directors
<i>FROM:</i>	Irene Buenavista, Assistant Director of Finance and Accounting Wendy McFarland, Accounting Manager Pinnacle Consulting Group, Inc.
<i>SUBJ:</i>	Financial Memo
<i>DATE:</i>	2/1/2024

### **Expenses**

- 2023 General Fund expenses are within budget. Cost savings of \$113k has been achieved for the fiscal year end. Contingency makes up \$20k of the savings. Unused budgets for Director Fees, Election, Facilities Management and Engineering and Professional Services make up the remainder.

### **Compliance Update**

- Mill levies were certified on January 9<sup>th</sup>.
- Adopted budgets filed with the State on January 30<sup>th</sup>.
- 1099's and W2's filed January 30<sup>th</sup>.
- Bond compliance reports are being processed and will be filed with the Trustee by February 5<sup>th</sup>.

### **Current Projects**

- March 31<sup>st</sup> – Deadline to file audit exemptions with the State
- May 6<sup>th</sup> - District 1 and 5 Audits - fieldwork begins

#### **Offices Located in Loveland and Denver**

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

*Serving our clients and community through excellent dependable service.*