

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED REGULAR MEETING OF KINSTON METROPOLITAN DISTRICT NOS. 1-10

HELD
November 11, 2021

The Boards of Directors of Kinston Metropolitan District Nos. 1-10 held a coordinated regular meeting, open to the public, via MS Teams, at 12:00 p.m., Thursday, November 11, 2021.

Due to the State of Emergency declared by Governor Polis and the threat to health and safety posed by the COVID-19 pandemic, this meeting was held via MS Teams.

ATTENDANCE

Directors in Attendance: (via teleconference)

Tim DePeder, Vice President
Brad Lenz, Asst. Secretary/Asst. Treasurer
Kim Perry, Secretary
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance: (via teleconference)

Alan Pogue; Icenogle Seaver Pogue, P.C.
Ryan Abbott, Andrew Kunkel, Irene McCaffrey, Casey Milligan, Joan Howell and Jason Woolard; Pinnacle Consulting Group, Inc.
Jeff Breidenbach and Abby Kirkbride: McWhinney

CALL MEETING TO ORDER

The meeting was called to order at 12:03 p.m. by Director DePeder, Vice President and Chairperson of the Boards, noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

COMBINED MEETING

The Districts are meeting in a combined Board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Kinston Metropolitan District No. 1, with concurrence by the Kinston Metropolitan Districts 2, 3, 4, 5, 6, 7, 8, 9, and 10.

CONFLICT OF INTEREST DISCLOSURE

Alan Pogue, legal counsel, stated that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts as all Board Members are employees of McWhinney Real Estate Services, Inc., which is associated with the primary landowners and developer within the Districts. Mr. Pogue advised the Boards that pursuant to Colorado law, certain

RECORD OF PROCEEDINGS

disclosures by the Board Members might be required prior to taking official action at a meeting. The Boards reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

APPROVAL OF
AGENDA

The Boards reviewed the agenda. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to approve the agenda, as amended to remove item III D. and to add Master Services Agreement Residential Phase 1.

APPOINTMENTS TO
FILL BOARD
VACANCIES

Mr. Pogue addressed the Boards and provided an overview of the process for appointing interested candidates to the Boards noting there is one interested candidate to fill one vacancy on the Board of Directors. Following review and discussion, upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to appoint Abby Kirkbride to the Board of Directors to fill the term expiring in 2023.

ELECTION OF
OFFICERS

The Board discussed the election of officers. Following review and discussion, upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to elect Abby Kirkbride to the position of President.

PUBLIC COMMENT

There were no members of the public present.

CONSENT AGENDA
ITEMS

The Boards considered the following consent agenda items:

- A. Approval of Minutes—October 12, 2021 Special Meeting.
- B. Ratification of Payables.
- C. Ratification of Contract Modifications.
- D. Financial Statements as of September 30, 2021.

RECORD OF PROCEEDINGS

- E. Consideration and Approval of 2022 Administrative Matters Resolution.
- F. Consideration and Approval of 2022 Election Resolution.
- G. Consideration and Approval of First Amended and Restated Meeting Resolution.

Upon motion duly made by Director Kane, seconded by Director Lenz and, upon vote, it was unanimously

RESOLVED to ratify and approve the items above, as presented.

CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Milligan reviewed the District Capital Infrastructure Report with the Boards and answered questions.

District Project Manager Update: Mr. Breidenbach presented the District Project Manager update with the Boards and answered questions.

Capital Fund Summary: Mr. Milligan reviewed the Capital Fund Summary with the Boards and answered questions.

Work Order 2021-01 with Norris Design for Landscape Architectural Design Services: Mr. Milligan presented and requested ratification of Master Services Agreement and Work Order 2021-01 with Norris Design for Landscape Architectural Design Services. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to ratify the Master Services Agreement and Work Order 2021-01 with Norris Design for Landscape Architectural Design Services in an amount of \$66,300.00.

Master Services Agreement and Work Order 2021-01 with MSK Consulting for Water & Wastewater Impact Demand Analysis Services: Mr. Milligan presented and requested ratification of Master Services Agreement and Work Order 2021-01 with MSK Consulting for Water & Wastewater Impact Demand Analysis Services. Upon motion duly made by Director Perry, seconded by Director Lenz and, upon vote, it was unanimously

RESOLVED to ratify the Master Services Agreement and Work Order 2021-01 with MSK Consulting for Water & Wastewater Impact Demand Analysis Services in an amount not to exceed \$20,000.00.

RECORD OF PROCEEDINGS

Master Services Agreement and Work Order 2021-01 with Fusion Fabrication for Centerra Parkway Landscape Improvements: Mr. Milligan presented and requested ratification of Master Services Agreement and Work Order 2021-01 with Fusion Fabrication for Centerra Parkway Landscape Improvements. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to ratify the Master Services Agreement and Work Order 2021-01 with Fusion Fabrication for Centerra Parkway Landscape Improvements in an amount not to exceed \$2,500.00.

LEGAL ITEMS

First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. (assigned from MRES), and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of operation and maintenance advances: Mr. Pogue reviewed with the Board the First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. (assigned from MRES), and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of operation and maintenance advances. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to approve the First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. (assigned from MRES), and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of operation and maintenance advances.

Second Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of operation and maintenance advances.: Mr. Pogue reviewed with the Board the Second Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of operation and maintenance advances. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to approve the Second Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and

RECORD OF PROCEEDINGS

issuance of new Subordinate Note to secure repayment of operation and maintenance advances, subject to contingency agreement.

Third Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of capital advances: Mr. Pogue reviewed with the Board the Third Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of capital advances. Upon motion duly made by Director Kane, seconded by Director Perry and, upon vote, it was unanimously

RESOLVED to approve the Third Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, the refunding of the 2021 Subordinate and issuance of new Subordinate Note to secure repayment of capital advances.

2021 AMENDED
BUDGET HEARING

Director Perry opened the 2021 Amended Budget Hearing for Kinston Metropolitan Districts Nos. 2, 4, and 5. Mr. Abbott reported that notice of the budget hearing had been published on October 26, 2021 in accordance with state budget law. Ms. McCaffrey reviewed the proposed amended budgets and answered questions. The amended budgets are as follows:

District No. 2

Original General Fund Budget: \$100
Amended General Fund Budget: \$137

District No. 4

Original General Fund Budget: \$100
Amended General Fund Budget: \$136

District No. 5

Original Debt Service Fund Budget: \$606,332
Amended Debt Service Fund Budget: \$653,853

Original Capital Fund Budget: \$0
Amended Capital Fund Budget: \$15,526,798

RECORD OF PROCEEDINGS

There being no public input, the public hearing portion of the budget was closed. Upon motion duly made by Director Perry, seconded by Director DePeder and, upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2021 budgets for Kinston Metropolitan Districts Nos. 2, 4, and 5.

2022 BUDGET HEARING

Director Perry opened the 2022 Budget Hearing for Kinston Metropolitan Districts Nos. 1-10. Mr. Abbott reported that notice of the budget hearing had been published on October 26, 2021 in accordance with state budget law. Ms. McCaffrey reviewed the budgets in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets by District and fund are as follows:

District No. 1
Mill levy is 0.000 mills.
General Fund Expenditures: \$351,040
Capital Fund Expenditures: \$35,552,422

District No. 2
Mill levy is 77.000
General Fund Expenditures: \$1,723

District No. 3
Mill levy is 77.000
General Fund Expenditures: \$146

District No. 4
Mill levy is 77.000
General Fund Expenditures: \$216

District No. 5
Mill levy is 77.000
General Fund Expenditures: \$308
Debt Fund Expenditures: \$638,012
Capital Projects Fund: \$2,506,296

District No. 6
Mill levy is 25.000 mills
General Fund Expenditures: \$100

District No. 7

RECORD OF PROCEEDINGS

Mill levy is 25.000 mills
General Fund Expenditures: \$100

District No. 8
Mill levy is 25.000 mills
General Fund Expenditures: \$100

District No. 9
Mill levy is 25.000
General Fund Expenditures: \$113

District No. 10
Mill levy is 43.979
General Fund Expenditures: \$100

There being no public input, the public hearing portion of the budget was closed. Upon motion duly made by Director Kane, seconded by Director Lenz and, upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the 2022 budgets for Kinston Metropolitan Districts Nos. 1-10, set the mill levies, appropriate budgeted funds upon final certification of value being received by the County of Larimer on or before December 15, 2021 and approve all other documents related to the 2022 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

FINANCIAL ITEMS,
CONT.

2021 Auditor: The Boards reviewed the 2021 Audit Proposal Summary. Following review and discussion, and upon motion duly made by Director Kane, seconded by Director Lenz and, upon vote, it was unanimously

RESOLVED to engage Adams Group, LLC for the 2021 audits for District Nos. 1 and 5.

DISTRICT MANAGER
ITEMS

Manager's Report: Mr. Abbott presented the Manager's Report to the Boards and answered questions.

ITEMS FROM
DIRECTORS

Director Lenz noted surveyors are currently working on boundary line adjustments.

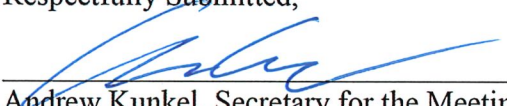
RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:01 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully Submitted,



Andrew Kunkel, Secretary for the Meeting