

RECORD OF PROCEEDINGS

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

HELD
June 11, 2020

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, June 11, 2020. Notice of the meeting was posted on the District's website at: www.kinston-metro-district.com.

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)

David Crowder, President
Tim DePeder, Vice President
Kim Perry, Secretary
Josh Kane, Treasurer
Courtney Parmelee, Asst. Secretary/Asst. Treasurer

Also in Attendance: (via teleconference)

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.
Peggy Dowswell, Shannon McEvoy, Irene McCaffrey, Casey Milligan,
and Elaina Cobb; Pinnacle Consulting Group, Inc.
Jeff Breidenbach; McWhinney
Jonathan Heroux and Marc Ragan; Piper Sandler
Jon Moellenberg; RBC

CALL MEETING TO ORDER

The meeting was called to order at 12:03 p.m. by Director Crowder, noting that a quorum was present. The Directors in attendance confirmed their qualifications.

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.

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CONFLICTS OF INTEREST

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 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 DePeder, seconded by Director Kane, and upon vote, unanimously carried, the Boards

RESOLVED to approve the agenda, as amended, to add items:

V. C. Consider Approval of a First Amendment Acquisition Advance and Reimbursement Agreement with MRES.

V. D. Consider Approval of a First Amendment to 2020 Funding and Reimbursement Agreement with MRES.

V. E. Consider Approval of Improvement Acquisition Advance and Reimbursement Agreement with CED.

ELECTION OF OFFICERS

The Boards considered the appointment of Officers. Upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to elect the slate of Officers as listed on page one of the minutes.

PUBLIC COMMENT

There were no members of the public present.

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CONSENT AGENDA ITEMS

The Boards considered the following consent agenda items:

- A. Approval of Minutes—April 09, 2020 Regular Meeting Minutes.
- B. Ratification of Claims Presented for Payment.
- C. Capital Fund Summary.
- D. Financial Statements as of March 31, 2020
- E. Contract Modification Report.

Upon a motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, it was

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

FINANCIAL ITEMS

Financial Advisor Update: Mr. Moellenberg and Mr. Heroux provided the Boards with an update on the status of District financing and answered questions. The bond closing date is expected to be in late July or early August 2020.

Financial Manager's Report: Ms. McCaffrey gave an update regarding the financial position of the District.

2020 AMENDED BUDGET HEARING

Director Crowder opened the 2020 amended budget hearing for Kinston District No. 1. Mr. McEvoy reported that notice of the budget hearing had been published on June 8, 2020 in accordance with state budget law. Ms. McCaffrey reviewed the proposed amended budgets and answered questions. The 2020 budget is to be amended as follows:

District No. 1.
Capital Projects Fund: \$2,597,407.00

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, and upon motion duly made by Director Kane, seconded by Director DePeder, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2020 Capital Fund budget for Kinston District No. 1, and appropriate budgeted funds subject to approval of funding agreements with McWhinney Real Estate Services, Inc. and Centerra East Development, Inc.

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CAPITAL
INFRASTRUCTURE
ITEMS

Directive to Include High Plains Environmental Center as a Consultant on Projects Involving Natural Areas, Including Detention Areas: Mr. Breidenbach requested consideration of Directive to Include High Plains Environmental Center as a Consultant on Projects Involving Natural Areas, Including Detention Areas.

District Project Management Services Bid Summary: Mr. Milligan reviewed the District Project Management Services Bid Summary and public bid process with the Boards and requested approval of the Master Services Agreement with McWhinney Real Estate Services, Inc. Following review and discussion and upon a motion duly made by Director Crowder, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to approve the Master Services Agreement with McWhinney Real Estate Services, Inc for District Project Management Services.

Master Services Agreement and Work Order 2020-01 with Felsburg Holt & Ullevig for Traffic Engineering Services: Mr. Milligan presented a Master Services Agreement and Work Order 2020-01 with Felsburg Holt & Ullevig for Traffic Engineering Services for Kinston Residential Phase 1. Following discussion and upon a motion duly made by Director Kane, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to approve the Master Services Agreement and Work Order 2020-01 with Felsburg Holt & Ullevig for Traffic Engineering Services for Kinston Residential Phase 1 in an amount of \$5,900.00

Work Order 2020-01 with McWhinney Real Estate Services for District Project Management Services: Mr. Breidenbach presented the Work Order 2020-01 with McWhinney Real Estate Services for District Project Management Services for Kinston Residential Phase 1. Following discussion and upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to approve the Work Order 2020-01 with McWhinney Real Estate Services for District Project Management Services for Kinston Residential Phase 1 in an amount not to exceed \$842,686.00.

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LEGAL ITEMS

Improvement Acquisition, Advance and Reimbursement Agreement with McWhinney Real Estate Services, Inc. (MRES): Mr. Pogue presented an Improvement Acquisition, Advance and Reimbursement Agreement with McWhinney Real Estate Services, Inc. for Funding Capital Improvements and Issuance of a Subordinate Promissory Note evidencing District No. 1's Reimbursement Obligation to MRES. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify an Improvement Acquisition, Advance and Reimbursement Agreement with McWhinney Real Estate Services, Inc. for Funding Capital Improvements and Issuance of a Subordinate Promissory Note evidencing District No. 1's Reimbursement Obligation to MRES in an amount not to exceed \$1,000,000.00.

2020 Funding and Reimbursement Agreement with McWhinney Real Estate Services, Inc.: Mr. Pogue presented a 2020 Funding and Reimbursement Agreement with McWhinney Real Estate Services, Inc. for Funding Operations and Maintenance Expenses and General Operating Expenses of the Districts and Issuance of a Subordinate Promissory Note evidencing District No. 1's Reimbursement Obligation to MRES. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify a 2020 Funding and Reimbursement Agreement with McWhinney Real Estate Services, Inc. for Funding Operations and Maintenance Expenses and General Operating Expenses of the Districts and Issuance of a Subordinate Promissory Note evidencing District No. 1's Reimbursement Obligation to MRES in an amount not to exceed \$250,000.00.

First Amendment to Improvement Acquisition Advance and Reimbursement Agreement with McWhinney Real Estate Services, Inc.: Mr. Pogue discussed and requested approval of a First Amendment to Improvement Acquisition Advance and Reimbursement with McWhinney Real Estate Services, Inc., and, in connection therewith, refund the existing subordinate promissory note and issue a new subordinate promissory note. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Kane, and upon vote, unanimously carried, it was

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RESOLVED to approve First Amendment to Improvement Acquisition Advance and Reimbursement with McWhinney Real Estate Services, Inc. and, in connection therewith, refund the existing subordinate promissory note and issue a new subordinate promissory note in an amount not to exceed \$500,000.00 subject to the closing of Centerra East Development on June 17, 2020.

Improvement Acquisition Advance and Reimbursement Agreement with Centerra East Development, Inc. (CED): Mr. Pogue discussed and requested approval of an Improvement Acquisition Advance and Reimbursement Agreement with CED and in connection therewith, authorize the issuance of a subordinate promissory note in an amount not to exceed \$2,200,000.00 to CED for capital advances and any improvements constructed by CED and acquired by the District. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve an Improvement Acquisition Advance and Reimbursement Agreement with Centerra East Development, Inc. and in connection therewith, authorize the issuance of a subordinate promissory note to CED for capital advances and any improvements constructed by CED and acquired by the District subject to the closing of Centerra East Development on June 17, 2020.

2020 Funding and Reimbursement Agreement with Centerra East Development, Inc.: Mr. Pogue discussed and requested approval of a 2020 Funding and Reimbursement Agreement with CED, and in connection therewith, authorize the issuance of a subordinate promissory note in an amount not to exceed \$250,000.00 to CED for O&M advances. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, authorize the issuance of a subordinate promissory note to CED for O&M advances subject to the closing of Centerra East Development, Inc. on June 17, 2020.

ITEMS FROM
DISTRICT MANAGER

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

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ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 12:51 p.m.

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

Respectfully Submitted,



Elaina M. Cobb, Secretary for the Meeting