

# RECORD OF PROCEEDINGS

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

HELD  
November 12, 2020

The Boards of Directors of Kinston Metropolitan District Nos. 1-10 held a coordinated special meeting, open to the public, via MS Teams, at 11:00 a.m., Thursday, November 12, 2020.

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  
Josh Kane, Treasurer  
Kim Perry, Secretary

#### Absent and Excused:

Courtney Parmelee, Asst. Secretary/Asst. Treasurer

#### Also in Attendance: (via teleconference)

Alan Pogue and Deborah Early; Icenogle Seaver Pogue, P.C.  
Jeff Breidenbach; McWhinney  
Jonathan Heroux; Piper Sandler  
Michael Perchitte: RBC  
Kim Crawford; Butler Snow LLP  
Ryan Abbott, Shannon McEvoy, Brendan Campbell, Irene McCaffrey,  
Casey Milligan, and Traci Miller; Pinnacle Consulting Group, Inc.

### CALL MEETING TO ORDER

The meeting was called to order at 11:02 a.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.

# RECORD OF PROCEEDINGS

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## CONFLICTS OF INTEREST

Deborah Early, 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. Ms. Early 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.

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## APPROVAL OF AGENDA

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

**RESOLVED** to approve the agenda, as presented.

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## 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—September 30, 2020 Special Meeting.
- B. Ratification of Payables.
- C. Capital Fund Summary.
- D. Financial Statements as of September 30, 2020.
- E. Ratification of Contract Modification Report.
- F. 2021 Administrative Matters Resolution.
- G. Approval of Professional Services Agreement with Slate Communications.

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

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

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# RECORD OF PROCEEDINGS

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## FINANCIAL ITEMS

Bond Finance Update: Mr. Heroux provided an update on the District's 2020 Bond Issuance to the Boards and answered questions. Mr. Heroux noted that the bonds went to market the morning of November 12, 2020 and will close on November 19, 2020.

Finance Mangers Report: Ms. McCaffrey presented the Finance Mangers Report.

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## 2021 PROPOSED BUDGET HEARING

Director Crowder opened the 2021 Budget Hearing for Kinston Metropolitan Districts Nos. 1-10. Mr. Abbott reported that notice of the budget hearing had been published on October 29, 2020 in accordance with state budget law. Mr. Campbell 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 mills.  
General Fund Expenditures: \$279,755.00  
Capital Fund Expenditures: \$25,380,241.00

District No. 2  
Mill levy is 77.000  
General Fund Expenditures: \$101.00

District No. 3  
Mill levy is 77.000  
General Fund Expenditures: \$101.00

District No. 4  
Mill levy is 77.000  
General Fund Expenditures: \$101.00

District No. 5  
Mill levy is 77.000  
General Fund Expenditures: \$100.00  
Debt Fund Expenditures: \$606,332.00

District No. 6  
Mill levy is 25.000  
General Fund Expenditures: \$100.00

District No. 7  
Mill levy is 25.000

# RECORD OF PROCEEDINGS

---

General Fund Expenditures: \$100.00

District No. 8  
Mill levy is 25.000  
General Fund Expenditures: \$100.00

District No. 9  
Mill levy is 25.000  
General Fund Expenditures: \$100.00

District No. 10  
Mill levy is 29.400  
General Fund Expenditures: \$100.00

There being no public input, the public hearing portion of the budget was closed. 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 2021 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 10, 2020 and approve all other documents related to the 2021 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

FINANCIAL ITEMS,  
CONT.

2020 Auditor: The Boards reviewed the 2020 Audit Proposal Summary. After further review and discussion, and upon motion duly made by Director Kane, seconded by Director Parmelee, and upon vote, it was unanimously

**RESOLVED** to engage Adams Group, LLC for the 2020 audit.

Work Orders with MRES for Financial Services: The Boards reviewed Work Order 2020-01 with MRES in the amount of \$59,750. After further review and discussion, and upon motion duly made by Director DePeder, seconded by Director Perry, with Directors Perry, Crowder, and DePeder voting aye, and Director Kane abstaining, it was

**RESOLVED** to approve Work Order 2020-01 with MRES in the amount of \$59,750.

## RECORD OF PROCEEDINGS

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### CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Milligan reported that a public bid opening for Kinston Phase 1 Public Infrastructure will be held on November 18, 2020 and a recommendation will be made to the Boards at the December 10, 2020 Regular Board Meeting.

District Project Manager Update: Mr. Breidenbach provided an overview of ongoing District projects and answered questions.

Project Management Fees – Kinston Phase 1C (ME 12<sup>th</sup> Subdivision DW Infill Area): The Boards reviewed the Project Management Fees – Kinston Phase 1C (ME 12<sup>th</sup> Subdivision). Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Kane, and upon vote, it was unanimously

**RESOLVED** to approve the Project Management Fees – Kinston Phase 1C (ME 12<sup>th</sup> Subdivision).

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### LEGAL ITEMS

First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure O&M Advances: Ms. Early reviewed with the Boards the First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure O&M Advances. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, it was unanimously

**RESOLVED** to approve the First Amendment to 2020 Funding and Reimbursement Agreement with Centerra East Development, Inc. and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure O&M Advances.

First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure Capital Advances: Ms. Early reviewed with the Boards the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure Capital Advances. Following review and discussion, upon a motion

## RECORD OF PROCEEDINGS

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duly made by Director Kane, seconded by Director DePeder, and upon vote, it was unanimously

**RESOLVED** to approve the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with Centerra East Development, Inc., and in connection therewith, Refunding 2020 Subordinate Note and Authorizing Issuance of 2021 Subordinate Note to Secure Capital Advances.

Refunding 2020 Subordinate Note issued to McWhinney Real Estate Services, Inc., and Authorization of 2021 Subordinate Note for O&M Advances: This item was tabled to the December 10, 2020 Regular Board Meeting.

Refunding 2020 Subordinate Note issued to McWhinney Real Estate Services, Inc., and Authorization of 2021 Subordinate Note for Capital Advances: This item was tabled to the December 10, 2020 Regular Board Meeting.

DISTRICT MANAGER  
ITEMS

Formation Costs: Mr. Abbott reviewed with the Boards the formation costs in the amount of \$329,730.53. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, it was unanimously

**RESOLVED** to approve the formation costs in the amount of \$329,730.53

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 12:11 p.m.

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

Respectfully Submitted,



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Pinnacle Consulting Group, Inc.