

RECORD OF PROCEEDINGS

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

HELD
August 24, 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 12:00 p.m., Monday, August 24, 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
Courtney Parmelee, Asst. Secretary/Asst. Treasurer

Absent and Excused:

Josh Kane, Treasurer

Also in Attendance: (via teleconference)

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.
Jeff Breidenbach; McWhinney
Brad Lenz; Land Asset Strategies, LLC.
Troy Kelts; Merrick & Company
Ryan Abbott, Shannon McEvoy, Brendan Campbell, Casey Milligan,
and Elaina Cobb; Pinnacle Consulting Group, Inc.

CALL MEETING TO ORDER

The meeting was called to order at 12:01 p.m. by Director Perry, 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 Crowder, and upon vote, unanimously carried, the Boards

RESOLVED to approve the agenda, as presented.

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—June 11, 2020 Regular Meeting Minutes.
- B. Ratification of Claims Presented for Payment.
- C. Capital Fund Summary.
- D. Financial Statements as of June 30, 2020
- E. Contract Modification Report.

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

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

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FINANCIAL ITEMS

Bond Finance Update: Mr. Campbell provided an update on the District's 2020 Bond issuance to the Boards and answered questions. Mr. Campbell noted the District is working on a market study and structuring a timeline. Mr. Campbell also noted there would be a more substantial update at the September Board meeting.

CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Milligan presented the Capital Infrastructure Report.

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

LEGAL ITEMS

Inclusion Hearing of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Inclusion Hearing of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Inclusion of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc.

Exclusion Hearing of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Exclusion Hearing of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Exclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Exclusion of Kinston Metropolitan District No. 2 for Certain Real Property Owned by Centerra East Development, Inc.

Inclusion Hearing of Kinston Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Inclusion Hearing of Kinston

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Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Inclusion of Kinston Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc.

Exclusion Hearing of Kinston Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Exclusion Hearing of Kinston Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Exclusion of Kinston Metropolitan District No. 3 for Certain Real Property Owned by Centerra East Development, Inc.

Inclusion Hearing of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Inclusion Hearing of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Inclusion of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc.

Exclusion Hearing of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Exclusion Hearing of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon

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motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Exclusion of Kinston Metropolitan District No. 4 for Certain Real Property Owned by Centerra East Development, Inc.

Inclusion Hearing of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Inclusion Hearing of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Inclusion of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc. and for Mr. Pogue to pause filing the motion with the court until directed by Director Crowder to proceed.

Exclusion Hearing of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Exclusion Hearing of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Exclusion of Kinston Metropolitan District No. 5 for Certain Real Property Owned by Centerra East Development, Inc. and for Mr. Pogue to pause filing the motion with the court until directed by Director Crowder to proceed.

Exclusion Hearing of Kinston Metropolitan District No. 9 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Exclusion Hearing of Kinston Metropolitan District No. 9 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

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RESOLVED to approve the Petition for Exclusion of Kinston Metropolitan District No. 9 for Certain Real Property Owned by Centerra East Development, Inc.

Inclusion Hearing of Kinston Metropolitan District No. 10 for Certain Real Property Owned by Centerra East Development, Inc.: Director Perry opened the public hearing for the Inclusion Hearing of Kinston Metropolitan District No. 10 for Certain Real Property Owned by Centerra East Development, Inc. There being no public input, the public portion of the Inclusion Hearing was closed. After review and discussion, and upon motion duly made by Director Parmelee, seconded by Director DePeder, and upon vote, it was

RESOLVED to approve the Petition for Inclusion of Kinston Metropolitan District No. 10 for Certain Real Property Owned by Centerra East Development, Inc.

Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (CED) and issuance of a Subordinate Promissory Note to CED to secure capital advances: Mr. Pogue discussed and requested ratification of an Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (CED) and, in connection therewith, issue a Subordinate Promissory Note to CED to secure capital advances. Following review and discussion and upon a motion duly made by Director DePeder, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to ratify an Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (CED) and, in connection therewith, issue a Subordinate Promissory Note to CED to secure capital advances.

2020 Funding and Reimbursement Agreement and Note between District No. 1 and Centerra East Development, Inc. (CED) and, in connection therewith, issue a Subordinate Promissory Note to CED to secure operational and maintenance advances: Mr. Pogue discussed and requested ratification of a 2020 Funding and Reimbursement Agreement and Note between District No. 1 and Centerra East Development, Inc. (CED) and issuance of a Subordinate Promissory Note to CED to secure operational and maintenance advances. Following review and discussion and upon a motion duly made by Director DePeder, seconded by Director Parmelee, and upon vote, unanimously carried, it was

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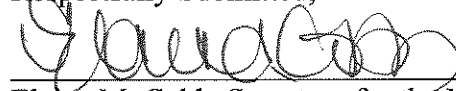
RESOLVED to ratify a 2020 Funding and Reimbursement Agreement and Note between District No. 1 and Centerra East Development, Inc. (CED) and in connection therewith, issue a Subordinate Promissory Note to CED to secure operation and maintenance advances.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 12:24 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