

RECORD OF PROCEEDINGS

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

HELD
November 14, 2024

The Regular Meeting of the Boards of Directors of Kinston Metropolitan District Nos. 1-10 was held via MS Teams and Teleconference on Thursday, November 14, 2024, at 1:00 p.m.

ATTENDANCE

Directors in Attendance:

Kim Perry, President
Tim DePeder, Vice President
Wendy Messinger, Secretary
Brad Lenz, Asst. Secretary & Asst. Treasurer

Directors Absent and Excused:

Josh Kane, Treasurer & Secretary

Also in Attendance:

Deborah Early; Icenogle Seaver Pogue, P.C.
Bryan Newby, Wendy McFarland, Nic Ortiz, Brendan Campbell, and
Dillon Gamber; Pinnacle Consulting Group, Inc.
Jeff Breidenbach, Erik Robinson, and Christina Rotella; McWhinney.

ADMINISTRATIVE ITEMS

Declaration of Quorum/Call to Order: Director Perry noted that a quorum was present, with four of five Directors in attendance for District Nos. 1-10. The Regular Meeting of the Boards of Directors (collectively, the “Boards”) of the Kinston Metropolitan District Nos. 1-10 (collectively, the “District”) was called to order by Director Perry at 1:01 p.m.

Coordinated Meetings: The Boards determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts at such meetings. Unless otherwise noted below, the matters set forth below shall be deemed to be the actions of the Board of Directors of Kinston Metropolitan District No. 1, with concurrence by the Boards of Directors of Kinston Metropolitan District Nos. 2, 3, 4, 5, 6, 7, 8, 9, and 10.

Director Qualifications/Disclosure of Potential Conflicts of Interest: All Board Members confirmed their qualifications to serve on the Boards. 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

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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.

Approval of Agenda: The Boards considered the approval of the agenda. Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director Lenz, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

Public Comment for Non-Agenda Items: There were no Public Comments received.

Director Comment: There were no Director Comments received.

CONSENT AGENDA

Director Perry reviewed the items on the consent agenda with the Boards. Director Perry advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any Director. Director Harris requested that approval of the October 3, 2024 Regular Meeting Minutes be removed and considered at a future meeting. Upon a motion duly made by Director Harris, Seconded by Director DePeder, the following items on the consent agenda were unanimously approved, ratified and adopted:

- A. Minutes – October 10, 2024, Regular Meeting.
- B. Payment of Claims.
- C. Contract Modifications.
- D. Financial Statements for the Period Ending September 30, 2024.
- E. 2025 Annual Administrative Matters Resolution.
- F. 2025 Meeting Resolution.
- G. District No. 1 2025 Regular Special District Election Resolution.
- H. District No. 2 2025 Regular Special District Election Resolution.
- I. District No. 3 2025 Regular Special District Election Resolution.
- J. District No. 4 2025 Regular Special District Election Resolution.
- K. District No. 5 2025 Regular Special District Election Resolution.
- L. District No. 6 2025 Regular Special District Election Resolution.

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- M. District No. 7 2025 Regular Special District Election Resolution.
- N. District No. 8 2025 Regular Special District Election Resolution.
- O. District No. 9 2025 Regular Special District Election Resolution.
- P. District No. 10 2025 Regular Special District Election Resolution.
- Q. Second Amendment to Public Records Policy.

DISTRICT MANAGER
ITEMS

District Manager's Report: Mr. Newby and Mr. Gamber presented the District Manager's Report to the Boards and answered questions.

2025 Master Service Agreements with Operations and Maintenance Service Contractors: Mr. Gamber presented the 2025 Master Service Agreements with Operations and Maintenance Service Contractors to the Boards and answered questions.

- i. All Sweep
- ii. Dray Pro Services
- iii. Denver Commercial Property Services
- iv. High Plains Environmental Center
- v. McWhinney Real Estate Services
- vi. SWPPP Colorado

Following review and discussion, upon a motion duly made by Director Lenz, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to approve the 2025 Master Service Agreements with Operations and Maintenance Service Contractors within the Approved 2025 Budget, as presented.

Authorization of District Manager to Execute 2025 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2025 Budget: Mr. Newby requested the Boards consider delegating authority to the District Manager to execute 2025 Work Orders with approved operations and maintenance service contractors within the approved 2025 budget. Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director Lenz, and upon vote, unanimously carried, it was

RESOLVED to authorize the District Manager to execute 2025 Work Orders for approved operations and maintenance service contractors within the approved 2025 budget, as presented.

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Updated Cost Sharing Agreement between Kinston Metropolitan District and the Kinston Community Association: Mr Newby presented the updated Cost Sharing Agreement between Kinston Metropolitan District and the Kinston Community Association to the Boards and answered questions. Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director Lenz, and upon vote, unanimously carried, it was

RESOLVED to ratify the Updated Cost Sharing Agreement between Kinston Metropolitan District and the Kinston Community Association, as presented.

CAPITAL INFRASTRUCTURE ITEMS

Capital Infrastructure Report & District Project Manager Update: Mr. Ortiz and Mr. Robinson presented the Capital Infrastructure Report and the District Project Manager Update to the Boards and answered questions.

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

FINANCIAL ITEMS

Finance Manager's Report: Ms. McFarland reviewed the Finance Manager's Report with the Boards and answered questions.

Approval of Auditor for 2024 Audit: Ms. McFarland presented The Adams Group for the 2024 Audit to the Boards and answered questions. Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to approve The Adams Group for the 2024 Audit.

2025 BUDGET HEARING

Mr. Newby reported that notice of the budget hearing was published on November 6, 2024, in the *Loveland Reporter Herald*, in accordance with state budget law. Director Perry opened the 2025 Budget Hearing. Ms. McFarland reviewed the proposed budgets in detail and answered questions. Director Perry closed the 2025 Budget Hearing. The 2025 budgets for the Districts are as follows:

District No. 1
General Fund: \$677,245
Capital Projects Fund: \$19,947,768

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District No. 2
General Fund: \$1,039,960
Mill Levy: 84.779

District No. 3
General Fund: \$156
Mill Levy: 84.220

District No. 4
General Fund: \$221
Mill Levy: 84.445

District No. 5
General Fund: \$30,541
Debt Service Fund: \$640,016
Mill Levy: 80.039

District No. 6
General Fund: \$100
Mill Levy: 27.884

District No. 7
General Fund: \$100
Mill Levy: 27.884

District No. 8
General Fund: \$100
Mill Levy: 27.884

District No. 9
General Fund: \$113
Mill Levy: 27.466

District No. 10
General Fund: \$1,110
Mill Levy: 36.147

Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director Lenz, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions to Adopt the 2025 Budgets for Kinston Metropolitan District Nos. 1-10, set the mill levies, and appropriate budgeted funds upon final certification of values being received by the County of Larimer on or before December 15, 2024, and

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approve all other documents related to the 2025 budgets. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

LEGAL ITEMS

Fifth Amendment to 2020 Funding and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of operating advances.: Ms. Early discussed the Fifth Amendment to the 2020 Funding and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of operating advances, with the Boards and answered questions. Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Messinger, and upon vote, unanimously carried, it was

RESOLVED to approve the Fifth Amendment to the 2020 Funding and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of operating advances., as presented.

Amended and Restated Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of capital advances: Ms. Early presented the Amended and Restated Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of capital advances, to the Boards and answered questions. Following review and discussion, upon a motion duly made by Director Messinger, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to Approve the Amended and Restated Improvement Acquisition, Advance and Reimbursement Agreement between District No. 1 and Centerra East Development, Inc. (“CED”), and in connection therewith, the Refunding of a Subordinate Note and Issuance of new Subordinate Note to CED to secure reimbursement of capital advances, as presented.

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DIRECTOR
COMMENT

There were no Director Comments received.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:53 p.m.

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

Respectfully submitted,

Bryan Newby

Bryan Newby, Recording Secretary for the Meeting