RECORD OF PROCEEDINGS

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE LOVELAND RURAL FIRE PROTECTION DISTRICT

The regular meeting of the Board of Directors of the Loveland Rural Fire Protection District was held at Station No. 1 on Wednesday, December 4, 2019 at 3:00 p.m.

The following members were present: Dave Legits, Mike McKenna, Barry Gustafson, Leroy Anderson, and Jeff Swanty.

Also present were:

Greg White, Secretary, Loveland Rural Fire Protection District
Mark Miller, Loveland Fire Rescue Authority
Ned Sparks, Loveland Fire Rescue Authority
Kammy Tinney, Pinnacle Consulting Group
Bob Boggio, Rural Citizen

President Legits opened the meeting.

The minutes of the November 6, 2019 regular meeting were reviewed. Upon motion by Gustafson, seconded by Anderson, and unanimously carried, the minutes were approved.

White presented the following November 2019 bills. Upon motion by Anderson, seconded by McKenna, and unanimously carried, the following bills were approved:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>FPPA</td>
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<tr>
<td>Canyon Pension Fund (4)</td>
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<td>Prairie Mountain Media</td>
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<td>Miscellaneous (5)</td>
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<td>Gregory A. White</td>
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<td>Miscellaneous (5)</td>
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<td>Gregory A. White</td>
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<td>Board Secretary (8a)</td>
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<tr>
<td>Dave Legits</td>
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<tr>
<td>Board Meetings (6b)</td>
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<tr>
<td>Barry Gustafson</td>
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<td>Board Meetings (8b)</td>
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<td>Mike McKenna</td>
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<td>Board Meetings (8b)</td>
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<tr>
<td>Leroy Anderson</td>
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<td>Board Meetings (8b)</td>
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<tr>
<td>Jeff Swanty</td>
<td>100.00</td>
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<tr>
<td>Board Meetings (8b)</td>
<td></td>
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TOTAL $ 36,877.07

Director Swanty requested some information on the Rural District payment to the Canyon Department. White stated that the District has made this payment for a number
of years to provide funds to the Canyon Department for social events and other types of expenses. Chief Miller stated that he was unsure if the payments should go through LFRA rather than directly to the Canyon Department. President Legits commented that he wished to retain some independence of the Canyon Department and felt that going through the LFRA payment system could be difficult. General discussion ensued concerning this matter. Following that discussion, it was the consensus of all present that White contact the Canyon Department, by letter, and state that in the future an accounting of the use of the funding shall be provided by the Canyon Department to the Rural Board during its annual budget process.

White presented the Financial Report. He noted that the November Treasurer's statement showed $18,000 in property tax which brought the total of property tax for 2019 above the budgeted figure. Also, specific ownership tax and interest are higher than budgeted figures. Expenses continue to be within budgeted amounts.

President Legits opened a public hearing on two Exclusion Petitions filed by owners of property annexed to the Town of Berthoud for exclusion from the Rural District and inclusion in the Berthoud Fire Protection District. White noted that these properties were within the annexation area subject to the terms and conditions of the Intergovernmental Agreement between the Rural District and Berthoud Fire Protection District. White stated that the Petitions were in the appropriate form, and he had received no written protests or comments concerning exclusion of these properties. Following discussion, and upon motion by Swanty, seconded by Gustafson, and unanimously carried, the following Resolution was adopted by the Board:

RESOLUTION
RESOLUTION TO APPROVE PETITIONS FOR EXCLUSION FROM THE LOVELAND RURAL FIRE PROTECTION DISTRICT

WHEREAS, the property owners set forth below have petitioned the Loveland Rural Fire Protection District for the exclusion from said District of the land described in the Petitions for Exclusion attached hereto as Exhibit A; and

WHEREAS, public notice has been published in accordance with law, calling for a public hearing on the prayer of said Petitions, proof of which is attached hereto as Exhibit B; and

WHEREAS, a public hearing on the Petitions of Execution was held by the Board of Directors of the District, at 3:00 p.m. on December 4, 2019, at Station No. 1, 410 E 5th Street, Loveland, Colorado 80537; and

WHEREAS, no written objections to the granting of the petitions for exclusion of the property have been received; and

WHEREAS, based upon the Petitions and such other evidence as was presented to the Board and made part of the record in this proceeding, the Board has found and does hereby find, relative to the grant of the Petitions for Exclusion, and in accordance with the criteria set forth in Section 32-1-501(3), C.R.S. that:

(a) (I) Exclusion is in the best interest of the property seeking exclusion.

(I) Exclusion is in the best interest of the District.

(III) Exclusion is in the best interest of the County of Larimer, in which the District is located.

(b) The relative cost and benefit to the property to be excluded from the provision of services by the District is negligible.
(c) The ability of the District to provide economical and sufficient service to all of the properties remaining within the District's boundaries will be unchanged by the exclusion.

(d) The ability of the District to provide services at a reasonable cost, will be unchanged by the exclusion.

(e) The economic impact of the exclusion of the property will not significantly impact the District and the region.

(f) Economically feasible alternative service will be available as the property will be included in the Berthoud Fire Protection District.

(g) The additional cost to be levied on other property within the District is expected to be minimal.

WHEREAS, the Board, after considering the evidence and all of the factors and findings set forth above, has determined and does hereby determine that the property in whole, as described in Exhibit A attached hereto, should be ordered excluded from the boundaries of the Loveland Rural Fire Protection District.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District shall, and hereby does order:

1. The land described in Exhibit A attached hereto be excluded from the boundaries of the Loveland Rural Fire Protection District upon appropriate approval of the District Court for Larimer County, Colorado.

2. The name and address of the owners of said property are as follows:

   Parcel 1 Heron Lakes Lake Club Annexation

   Petitioner/Owner: Turner Frye Minerals, LLC
   Address: 2580 & 2584 County Road 14
   Berthoud, CO 80513

   Petitioner/Owner: Heron Lakes Investments, LLC
   Address: 2580 & 2584 County Road 14
   Berthoud, CO 80513

   Parcel 2 Case Annexation

   Petitioner/Owner: James A. Case and Jean Ann Case
   Address: 2582 W County Road 14
   Loveland, CO 80537

Adopted December 4, 2019.
HERON LAKES LAKE CLUB ANNEXATION

Parcel 1:

That portion of the Northeast Quarter of Section 4, Township 4 North, Range 69 West of the 6th Principal Meridian, County of Larimer, State of Colorado, more particularly described as follows:

Considering the North line of the Northeast corner of Section 4 as bearing South 89° 59' 58" West and with all bearings contained herein relative thereto:

COMMENCING at the North Quarter corner of Section 4; thence South 00° 13' 44" West, 30.01 feet to a point on the South line of Jaskowski Annexation No. 2 To The Town of Berthoud, said point being the POINT OF BEGINNING; thence along said South line, South 89° 59' 59" East, 2021.36 feet; thence, South 00° 01' 41" East, 20.00 feet to the Northeast corner of Parcel 1A, Amended Duffy Exemption, thence along said Parcel 1A the following 13 courses: South 36° 35' 56" West, 678.16 feet; thence, South 74° 55' 06" West, 257.32 feet; thence, South 69° 33' 14" West, 194.67 feet; thence, South 61° 46' 08" West, 190.89 feet; thence, South 57° 10' 05" West, 99.74 feet; thence, North 41° 52' 38" West, 164.83 feet; thence, North 28° 00' 02" West, 280.84 feet; thence, South 79° 55' 50" West, 337.02 feet; thence, South 02° 15' 08" East, 205.22 feet; thence, South 04° 08' 54" East, 128.40 feet; thence, South 07° 03' 49" East, 396.85 feet; thence, South 77° 18' 05" West, 447.46 feet; thence, North 00° 25' 45" East, 1337.29 feet; thence, North 00° 25' 45" East, 20.15 feet to the POINT OF BEGINNING, containing 1,413,271 square feet or 32.444 acres more or less.

CASE ANNEXATION

Parcel 2:

That portion of the Northeast Quarter of Section 4, Township 4 North, Range 69 West of the 6th Principal Meridian, County of Larimer, State of Colorado, more particularly described as follows:

Parcel 2A, Amended Duffy Exemption, recorded at Reception No. 97052403, Larimer County Clerk and Recorder, more particularly described as follows:

Considering the North line of the Northeast corner of Section 4 as bearing South 89° 59' 58" West and with all bearings contained herein relative thereto:

COMMENCING at the North Quarter corner of Section 4; thence South 00° 13' 44" West, 50.15 feet to a point on the North line of Heron Lakes Lake Club Annexation To The Town of Berthoud; thence along the West and South lines of Heron Lakes Lake Club Annexation the following 2 courses and distances: South 00° 25' 45" West, 1337.29 feet; thence, North 77° 18' 05" East, 447.46 feet to the Southwest corner of Parcel 2A, Amended Duffy Exemption, said point being the POINT OF BEGINNING; thence along said Parcel 2A the following 10 courses and distances: North 07° 03' 49" West, 396.85 feet; thence, North 04° 08' 54" West, 128.40 feet; thence, North 02° 15' 08" West, 205.22 feet; thence, North 79° 55' 50" East, 337.02 feet; thence, South 28° 00' 27" East, 280.84 feet; thence, South 41° 52' 38" East, 164.83 feet; thence, South 51° 31' 52" West, 107.08 feet; thence, South 47° 26' 05" West, 4'9.26 feet; thence, South 54° 47' 00" West, 51.59 feet; thence South 65° 29' 05" West, 71.05 feet to the POINT OF BEGINNING, containing 272,633 square feet or 6.259 acres more or less.
Proof of Publication

The undersigned, J. D. Rupe, Executive Editor and Publisher of Prairie Mountain Media, LLC, publisher of The Leadville News, having been duly sworn under oath, states and affirms as follows:

1. Name of the legal advertising publisher of Prairie Mountain Media, LLC, publisher of the Leadville News, is The Leadville News.
2. The Leadville News is published every Thursday, in Leadville, Lake County, Colorado.
3. The Leadline of the Leadville News as of the date of publication is the first line of text in the legal notice.
4. The Leadville News is published in the form of a newspaper, and the legal notice was published in the Leadville News.
5. The Leadville News is published on the following dates:

<table>
<thead>
<tr>
<th>Date</th>
<th>Issue Number</th>
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<tr>
<td>10/22/2019</td>
<td>3038</td>
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I, the undersigned, J. D. Rupe, do hereby certify under penalty of perjury that the legal notice was published as stated above.

Signature: J. D. Rupe

Notary Public

MELISSA M. MAHIA
Notary Public
State of Colorado
Notary Public

Harrison County, Colorado

[Stamp]

Date: November 30, 2019

I hereby certify under penalty of perjury that the legal notice was published as stated above.

Signature: J. D. Rupe
President Legits stated that on December 2, 2019, interviews were conducted for a new attorney to provide legal services to the Rural District. Following those interviews, he and Director Swanty recommend that the Board retain, through the proposed Letter of Engagement, the firm of Collins, Cockrell and Cole for legal representation with attorney Linda Glesne responsible for Rural District representation. There was discussion among all present about the need for Ms. Glesne’s presence at future Board meetings. It was the consensus of the Board and all present that at least for the first half of 2020, she should be present for all Board meetings. Following that period of time, her presence can be on an as needed basis. Upon motion by Swanty, seconded by Gustafson, and unanimously carried, the Board authorized the execution by White of the Letter of Engagement for legal services as presented.

Kammy Tinney of Pinnacle noted the next meeting of the Board will be January 8, 2020. Director Swanty inquired as whether or not the Board wished to change the time of the meeting due to the fact that he was no longer on the school board. There was a general discussion among all present about appropriate times and places for the Rural Board meeting. It was the consensus of the Board that this discussion should be included on the January 8, 2020 Agenda.

Chief Miller gave the Chief’s Report. He noted that the construction of Station 7 remains on schedule, although there had been some slowing due to the recent bad weather.

Miller stated that the Donation Agreement from the Gerrard Family for the station site in 2534 will be reviewed and most likely approved by the LFRA Board at the meeting on December 18th. The Donation Agreement contains a provision that construction on the station must start within eighteen months of the execution of the Agreement. Accordingly, it is necessary to immediately begin discussions as to financing the design and construction of Station 10. Miller handed out a proposal from Gary Gerrard for a built-to-suit lease and also proposed bank financing in the approximate amount of the $5,000,000 design and construction costs of Station 10.

Miller stated that LFRA received impact fees in 2018 and 2019 of approximately $650,000 for each year. Currently, the annual payment for Station 7 is $380,000 with approximately a $3.8 million principal balance. Based upon cost of construction of Station 7, it is estimated that design and construction of Station 10 will be approximately $5,000,000.

Miller noted that the Department has already contacted Belford Watkins to be prepared to begin the design of Station 10 in order to meet the eighteen month start of the construction deadline for the land donation. There is a current balance of $1.4 million in impact fees which would cover the approximate $300,000 cost for design of Station 10. Following discussion, the Board requested more specific information on financing be presented at the next Rural Board meeting.

Miller addressed the need to solidify representation on the Consolidated Pension Board. The Rural currently has two directors, Anderson and McKenna, representing the Rural District. Scheduled Pension Board meetings have not been effective due to lack of a quorum. Due to the question of who can serve as a Rural representative on the Pension Board, this matter will be continued until a future Board meeting, with White to address the issue as to District representation and also how often the Pension Board needs to meet.

Miller stated that February 29, 2019 will be the LFRA Appreciation Event at the Embassy Suites. All Board members are invited to attend.

Chief Sparks gave the Community Service Division Report. He noted that the Department is continuing to move the 2018 Fire Code through the approval process. The Town of Johnstown is in the middle of that process and Sparks hopes that it will be completed in the near future.
In the absence of Chief Ward, Chief Miller gave the Operation Division Report. He noted that there were very few major incidents in the last month except for a garage fire in Berthoud and a Loveland Police SWAT call in the Rural District which there were two fatalities. Certain firefighters participated in this SWAT incident.

There being no further business, the meeting was adjourned.

Gregory A. White, Secretary/
Assistant Treasurer

ATTEST:
President