

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED
REGULAR MEETING OF
CENTERRA METROPOLITAN DISTRICT NO. 1
CENTERRA METROPOLITAN DISTRICT NO. 2
CENTERRA METROPOLITAN DISTRICT NO. 3
CENTERRA METROPOLITAN DISTRICT NO. 4
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD
July 19, 2018

The Boards of Directors of Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4, and Centerra Metropolitan District No. 5 held a coordinated regular meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Thursday, July 19, 2018. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of each District.

ATTENDANCE

Directors in Attendance:

Kim Perry, President
David Spaeth, Vice President
Josh Kane, Treasurer & Assistant Secretary (Via Teleconference)
Courtney Parmelee, Secretary (Via Teleconference)
David Crowder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Teleconference)
Dave Betley, Jeff Breidenbach, and Jim Niemczyk; McWhinney
Ryan Abbott, Brendan Campbell, Peggy Dowswell, Shannon McEvoy,
Shana Morgan, and Kirsten Starman; Pinnacle Consulting Group, Inc.
Jason Woolard; Pinnacle Consulting Group, Inc. (Via Teleconference)
John Cutler; John Cutler & Associates (Via Teleconference)

CALL MEETING TO
ORDER

The meeting was called to order at 12:04 p.m. by Director Perry, noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

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 Centerra Metropolitan District No. 1, with concurrence by the Centerra Metropolitan Districts Nos. 2, 3, 4, and 5.

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CONFLICT OF
INTEREST
DISCLOSURE

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 considered the agenda, as amended, to add items:

IV. C. v. Consider approval of Work Order No. 2018-05 with CWC Consulting Group, LLC for construction administration services associated with Savanna 2nd Subdivision not to exceed \$26,985

IV. C. vi. Consider approval of additional soft cost expenses for survey and geotechnical services associated with Boyd Lake South not to exceed \$20,000.

V. D. Update on Financing

VI. D. Consider approval of Payments In Lieu of Taxes (PILOT) Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, LLC, and MMF Railway, LLC.

VI. E. Consider approval of Developer Agreement between Centerra Properties West, LLC, City of Loveland, MMF Railway, LLC, and Centerra Metropolitan District No. 1.

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

RESOLVED to approve the agenda, as amended.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA
ITEMS

Director Perry requested the May 17, 2018 minutes be removed from the consent agenda.

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The Boards considered the following consent agenda items:

- A. Ratification of Payables: May 4, 2018 through June 26, 2018,
- B. Capital Fund Summary,
- C. Ratification of Contract Modifications, and
- D. Financial Statements as of May 31, 2018.

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

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

MINUTES

The Boards reviewed the May 17, 2018 Meeting Minutes. Director Perry requested clarification on an item from the manager's report regarding "six pre-cast concrete monument signs." Ms. Morgan acknowledged the request and changed the minutes to clarify the objects in question were, "two boundary markers and four bridge towers at the I25/34 interchange." Upon motion duly made by Director Crowder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the minutes, as amended.

AUDIT PRESENTATION

2017 Audit: Mr. Campbell introduced John Cutler with John Cutler & Associates. Mr. Cutler presented the 2017 Financial Audit for District No. 1 to the Boards. Mr. Cutler stated that the Audit received an unmodified clean opinion. Upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon unanimous vote, it was

RESOLVED to approve the 2017 Audit for District No. 1.

CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Ms. Starman presented the Capital Infrastructure Report.

District Project Manager Update: Mr. Niemczyk provided an update on current projects.

Bidding and Contracting:

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Consider Approval of Project Management Fees: Mr. Niemczyk brought to the Boards for consideration Project Management fees for the following projects, and in the amounts as follows:

Northwest Arterial Roadways Phase 1 - \$192,174, anticipated nine-month project.

Boyd Lake Avenue South - \$230,554, anticipated 14-month project.

Savanna 3rd Subdivision - \$60,194, anticipated six-month project.

Savanna 2nd Kendall Parkway Phase 2 - \$236,667, anticipated eight-month project.

Northwest Arterial Roadways Phase 2 - \$284,864, anticipated 19-month project.

McWhinney Boulevard Roadway - \$27,139, anticipated five-month project.

Parcel 504 On-Site Public – Tabled

Parcel 504 Off-Site Public – Tabled

Parcel 505/Interchange Lift Station - \$121,747, anticipated seven-month project.

Upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon unanimous vote, it was

RESOLVED to approve the MRES Project Management fees as noted above.

Maintenance Agreement with CDOT for Maintenance Improvements involving I25: Ms. Morgan presented the Maintenance Agreement with CDOT for Maintenance Improvements involving the future transit station located adjacent to Kendall Parkway and I25. Following discussion and upon a motion duly made by Director Kane, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Maintenance Agreement with CDOT for Maintenance Improvements involving the future transit station located adjacent to Kendall Parkway and I25 subject to final review by legal counsel and Directors Perry and Crowder.

Work Order with Nine Dot Arts for Public Art: Tabled

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Master Services Agreement with J&S Contracting Services and Work Order No. 2018-01 for Bridge/Boundary Marker Maintenance related to 2018 Capital Repairs and Replacements: Ms. Starman brought to the Boards for consideration the Master Services Agreement with J&S Contracting Services and Work Order No. 2018-01 for bridge/boundary marker maintenance. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Master Services Agreement with J&S Contracting Services and Work Order No. 2018-01 for bridge/boundary marker maintenance services in an amount of \$33,500.

Master Services Agreement with DaVinci Sign Systems and Work Order No. 2018-01 for Monument Sign Maintenance related to 2018 Capital Repairs and Replacements: Ms. Starman brought to the Boards for consideration the Master Services Agreement with DaVinci Sign Systems and Work Order No. 2018-01 for monument sign maintenance. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Master Services Agreement with DaVinci Sign Systems and Work Order No. 2018-01 for monument sign maintenance services in an amount of \$79,100.

CWC Work Order No. 2018-05 for Savanna 2nd Subdivision: Ms. Starman brought to the Boards for consideration CWC Work Order No. 2018-05 for construction administration services associated with the Savanna 2nd Subdivision. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve CWC Work Order No. 2018-05 for construction administration services associated with the Savanna 2nd Subdivision in an amount of \$26,985.

Additional Soft Cost Expenses for Survey and Geotechnical Services for Boyd Lake South: Ms. Starman brought to the Boards for consideration additional soft cost expenses for survey and geotechnical services associated with Boyd Lake South. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve additional soft cost expenses for survey and geotechnical services not to exceed \$20,000.

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FINANCIAL ITEMS

Certificate Designating District Representatives for Bond Requisitions: Mr. Campbell brought to the Boards for consideration the Certificate Designating District Representative for Bond Requisitions. Following discussion and upon a motion duly made by Director Spaeth, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Certificate Designating District Representative for Bond Requisitions.

Update on Financing: Mr. Campbell provided an update on financing for the District and answered questions. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the District Finance team to move forward with bond issuance and engagement of bond consultants.

ITEMS FROM LEGAL COUNSEL

Maintenance Agreement with High Plains School: Mr. Pogue brought to the Boards for consideration the Maintenance Agreement with High Plains School for landscape installation and maintenance services on Boyd Lake Avenue. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve execution of the Maintenance Agreement with High Plains School for landscape installation and maintenance services on Boyd Lake Avenue subject to review by legal counsel and final review by the Board President.

Parcel 504 Escrow Process: Mr. Pogue provided an update on the Parcel 504 Escrow Process. Due to this being a HUD project, the District will need to fund an escrow for the amount of the public improvements. The requisition process to pay vendors may add extra time initially.

Centerra Metro District Nos. 2/4 and The Lakes Metro District No. 3 Boundary Matter: Mr. Pogue facilitated a discussion regarding the Centerra Metro District Nos. 2/4 and The Lakes Metro District No. 3 Boundary Matter.

Payments In Lieu of Taxes (PILOT) Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, LLC, and MMF Railway, LLC: Mr. Pogue brought to the Boards for consideration the Payments In Lieu of Taxes (PILOT) Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, LLC, and MMF

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Railway, LLC. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Payments In Lieu of Taxes (PILOT) Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, LLC, and MMF Railway, LLC.

Development Agreement between Centerra Properties West, LLC, City of Loveland, MMF Railway, LLC, and Centerra Metropolitan District No. 1.: Mr. Pogue brought to the Boards for consideration the Development Agreement between Centerra Properties West, LLC, City of Loveland, MMF Railway, LLC, and Centerra Metropolitan District No. 1. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Development Agreement between Centerra Properties West, LLC, City of Loveland, MMF Railway, LLC, and Centerra Metropolitan District No. 1.

Centerra No. 3 Service Plan: Mr. Pogue state a revised Srvice Plan for District No. 3 would be needed with the building activities expected soon in that district.

ITEMS FROM
DISTRICT MANAGER

Manager's Report: Ms. Morgan reviewed the written report with the Boards. Ms. Morgan noted that the grant application from the charging stations at Parcel 206 was submitted by Mr. McEvoy on June 20, 2018. If successful, the grant award would be \$27,000. Ms. Morgan also reviewed the 2018 Repairs and Replacements Budget Worksheet with the Boards and answered questions.

Master Services Agreement with Susanne Durkin Schindler and Work Order No. 2018-01 for Accounting Services: Ms. Morgan brought to the Boards for consideration the Master Services Agreement with Susanne Durkin Schindler and Work Order No. 2018-01 accounting services. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Master Services Agreement with Susanne Durkin Schindler and Work Order No. 2018-01 for accounting services.

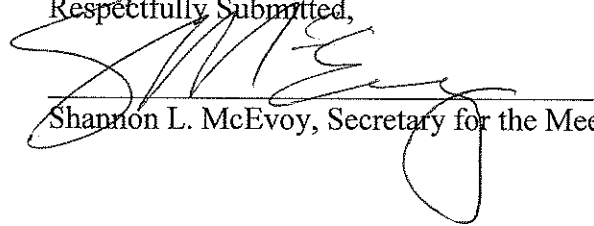
ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:29 p.m.

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

Respectfully Submitted,



Shannon L. McEvoy, Secretary for the Meeting