

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
May 21, 2015

The Board 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, May 21, 2015. 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
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary

Directors Absent but Excused:

Julie Den Herder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Brendan Campbell, Peggy Dowswell, Jim Worley, and Carla Hawkins; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney (departed at 1:06 p.m.)
Cole Evans; McWhinney (departed at 12:55 p.m.)
Will Welch, William T. Welch Company (departed at 12:35 p.m.)

CALL MEETING TO
ORDER

The meeting was called to order at 12:02 p.m. by Director Perry, President, 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, noted 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.

AGENDA

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

RESOLVED to approve the agenda as amended.

APPROVAL OF MINUTES

The minutes of the March 19, 2015 regular meeting were presented. Upon motion duly made by Director Hall, and seconded by Director Kane, it was unanimously

RESOLVED to approve the March 19, 2015 minutes as amended.

There were no actions or representations of the Districts by the District Manager to ratify since the last Board Meeting.

PUBLIC COMMENT

There were no comments made by members of the public.

CAPITAL PROJECTS

Parcel 505 Improvements

Parcel 505 Improvements: Mr. Welch stated that Connell has demobilized and the pad has been delivered. The District is currently waiting on Bass Pro Shops to accept the pad. Bass Pro Shops has a deadline to complete construction of at least one vertical wall on the pad site by July 28, 2015.

Lift Station Improvements: Mr. Welch noted that the bid opening for the Lift Station has been delayed until May 26, 2015. Mr. Pogue discussed the draft IGA with the City of Loveland, noting the City's redline changes are for construction oversight costs. The Boards consensus was to agree that the District would pay 50% of the oversight costs.

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Parcel 601 Improvements

Mr. Welch stated that the District may want to consider completing the public infrastructure design work for a total additional cost of \$9,000. After discussion, District No. 1 Board's consensus was not to proceed with any further work at this time and to complete the closeout on this project.

Motorplex Landscaping Improvements

Mr. Evans noted that sod was being installed to complete the landscaping. A District acceptance walk through will be scheduled with the contractor. There is landscape easements that need to be completed for the CarMax site and the turnover is anticipated to take place the first week in June.

Hahn's Peak Extension Improvements

Professional Services Agreement – Delich Associates – Traffic Study Services: Mr. Evans presented a Professional Services Agreement with Delich Associates for Traffic Study Services for District No. 1 Board's consideration. Following discussion, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Professional Services Agreement with Delich Associates for the services as noted above, in an amount not to exceed \$2,000.

Addendum – Pinnacle Consulting Group – District Project Administration Services: Mr. Evans presented an Addendum with Pinnacle Consulting Group, Inc. for District Project Administration Services (bidding through acceptance phases) for District No. 1 Board's consideration. Following discussion, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Addendum with Pinnacle Consulting Group, Inc. for the services as noted above, in an amount not to exceed \$5,000 for bidding services only.

Work Order No. 1 – Interwest Consulting Group – Engineering Construction Administration Services: Mr. Evans presented Work Order No. 1 with Interwest Consulting Group, Inc. for Engineering Construction Administration Services for District No. 1 Board's consideration. Following discussion, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to approve Work Order No. 1 with Interwest Consulting for the services as noted above, in an amount not to exceed \$5,000 for bidding services only.

Parcel 206 Improvements Sewer Line

Mr. Niemczyk updated the Board on the sewer line design and County Road 37 extension. He noted bids will be solicited for the construction with an anticipated end of June opening date.

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Boyd Lake Avenue
Water Meter Vault
Relocation

Mr. Niemczyk noted that the City of Loveland had received bids and the contract was awarded. The construction is to commence in mid-June.

Parcel 222 – Bid
Package 1 Improvements

Mr. Niemczyk reported that he will provide an update on this project at the June meeting.

Parcel 222 – Bid
Package 2-3
Improvements

Mr. Niemczyk reported that he will provide an update on this project at the June meeting.

FRANK ROAD

Manager Worley reported on the Frank Road drainage and the adjacent homeowners request for the District to replace their driveway. The Board discussed and directed that the District only fix the drain, including a small portion of the driveway near the drain, and landscape improvement. The Board also noted that the District cannot spend money on private improvements, only public improvements.

ITEMS FROM THE
FINANCE DIRECTOR

Capital Fund Summary and Financial Report: Mr. Campbell presented the Capital Fund Summary as of May 21, 2015, and the Financial Report through March 31, 2015. Director Kane also reported on efforts to set up a meeting with DA Davidson and to forecast potential increases in assessed values within Centerra.

Ratification of Payables: Mr. Campbell presented for ratification the Payables Listing from March 17, 2015 through May 15, 2015 in the amount of \$1,410,188.08; including checks 5814 through 5872 and online payments 985001 through 985047 and EFT payments on April 20, 2015. Upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to ratify the March 17, 2015 through May 15, 2015 Schedule of Payables, in the amounts and for the payments noted above.

FirstBank Online Payments: Mr. Campbell requested the Boards consider designating a second Board member to approve online payments. Upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to designate Director Hall as an alternate to approve payments for the First Bank online bill payments.

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ITEMS FROM DISTRICT MANAGER

June Board Meeting Schedule: Board members' schedules for the June meeting were discussed. The meeting will be rescheduled to a Special meeting on June 16, 2015 from 12:00-2:00 p.m.

Operations and Maintenance Report: Manager Worley updated the Board on landscaping and reported that both EDI and HPEC had failed their recent inspections. The contractors will not be penalized this month due to weather problems as well as being new contractors. Management is being proactive to ensure the contractors know expectations.

ITEMS FROM LEGAL COUNSEL

Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice from general counsel on specific questions related to the Lakeview Condemnation.

Mr. Pogue advised the Boards that it was permitted, upon compliance with requisite statutory procedures under the Colorado Open Meetings Law, for the Boards to convene an executive session, pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from general counsel on specific questions related to the Lakeview Condemnation. Upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

RESOLVED to convene an Executive Session, pursuant to § 24-6-402(4)(b), C.R.S., to receive legal advice from legal counsel on specific legal questions.

It is the 21st day of May, 2015 and the time is 1:33 p.m. For the record, I, Kim Perry, am the presiding officer. This Executive Session is recorded pursuant to the requirements of the Colorado Open Meetings Law. Also present at this Executive Session are: Directors Kim Perry, Tom Hall, Josh Kane; Legal Counsel Alan Pogue; District Manager, Jim Worley; and Project Manager, Jim Niemczyk.

This is an Executive Session for the following purpose: for receiving legal advice from legal counsel on specific legal questions related to the Centerra Metropolitan Districts.

The Executive Session was adjourned at 1:49 p.m. by a motion from Director Hall, a second by Director Kane, and with a unanimous vote. The participants in the Executive Session at adjournment were Kim Perry, Tom Hall, Josh Kane, Alan Pogue, Jim Worley, and Jim Niemczyk.

No decisions or actions were taken in the Executive Session.

Mr. Pogue stated for the record, "if any person participating in the Executive Session believes any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or any

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improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, I ask you state your concerns for the record”.

No objections were stated.

OTHER MATTERS

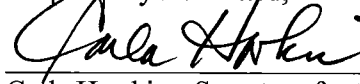
No other matters were brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 2:06 p.m.

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

Respectfully Submitted,



Cafla Hawkins, Secretary for the Meeting