

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
December 17, 2015

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, December 17, 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
Ben Kendall, Vice-President
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary (via telephone)

Directors Absent, but Excused:

Julie Den Herder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Brendan Campbell, Jason Woolard, Peggy Dowswell, Jim Worley, and Carla Hawkins; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney (arrived at 12:26 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 Hall, seconded by Director Kendall and, upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

APPROVAL OF MINUTES

The minutes of the September 17, 2015 regular meeting, October 1, 2015 regular continued meeting, and November 19, 2015 special meeting were presented. Upon motion duly made by Director Kendall, and seconded by Director Hall and, upon vote, unanimously carried, it was

RESOLVED to approve the September 17, 2015 regular meeting, October 1, 2015 regular continued meeting, and November 19, 2015 special meeting minutes, as presented.

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 the public in attendance.

CROSSROAD INTERCHANGE

Mr. Worley directed the Boards to the Crossroads and I-25 renderings in their board packets. The consensus of the Board was that the District should not pay for architectural upgrades and request CDOT to pay for the enhanced architectural accents.

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HAHN'S PEAK
EXTENSION
IMPROVEMENTS

Mr. Woolard noted that the Hahn's Peak extension project is on hold through the winter. Dunrite Excavating will remobilize in the spring to complete construction of the public infrastructure portion of the project.

Parcel 222 Bid
Package 2
Improvements

Mr. Woolard noted that the Parcel 222 Bid Package 2 project is on hold through the winter. Connell Resources will remobilize in the spring to complete the public infrastructure portion of the project.

Parcel 206
Improvements

Mr. Woolard commented that efforts are underway on the design and stated that the first submittal to the City of Loveland is anticipated for February.

Parcel 206 Sewer Main
Improvements

Mr. Woolard reported that bids are being solicited with a public bid opening scheduled for January 5, 2016. Following review and discussion, upon motion duly made by Director Kane, seconded by Director Hall and, upon vote, unanimously carried, it was

RESOLVED to authorize President Perry to sign the contract with the most qualified responsible bidder, within the budgeted total of \$390,402, and with the Board ratifying the contract at the January 2016 meeting.

Kendall Parkway/Main
Street Improvements

Mr. Woolard noted the first submittal to the City of Loveland is anticipated for mid-January.

CAPITAL FUND
SUMMARY

Mr. Campbell reviewed the capital fund summary with the Boards. Mr. Campbell noted loan proceeds have been received. Director Kane thanked the Pinnacle team for their efforts.

ITEMS FROM THE
FINANCE DIRECTOR

Ratification of Payables: Mr. Campbell presented for ratification the Payables Listings from September 10, 2015 through November 10, 2015, in the amount of \$1,060,702.95; including checks 5895 through 6079 and online and EFT payments, and from November 11, 2015 through December 9, 2015, in the amount of \$626,517.81; including checks 6080 through 6099 and online and EFT payments. Following review and discussion, upon motion duly made by Director Kane, seconded by Director Hall and, upon vote, unanimously carried, it was

RESOLVED to ratify the payables from September 10, 2015 through November 10, 2015, and November 11, 2015 through December 9, 2015, in the

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amounts, check numbers, and EFT payments as outlined above.

Mr. Campbell presented the financials as of October 31, 2015. Following review and discussion, upon motion duly made by Director Hall, seconded by Director Kendall and, upon vote, unanimously carried, it was

RESOLVED to approve the financial statements as of October 31, 2015.

DRAW REQUEST

The District No. 1 Board briefly discussed the loan draw. Upon motion duly made by Director Kane, seconded by Director Kendall and, upon vote, unanimously carried, it was

RESOLVED to ratify the loan draw, and all document executed in connection therewith, in the amount of \$11.5 million.

Mr. Niemczyk joined the meeting at this time.

DISTRICT MANAGER ITEMS

Operations and Maintenance Report: Mr. Worley gave a brief update on fall clean-up and snow removal services provided by EDI.

Centerra Parkway Landscape/Irrigation System Repairs: Mr. Woolard stated repair work will commence on the center median and west side of Centerra Parkway in the spring, as weather permits.

2016 Maintenance Contracts: Mr. Woolard asked for District No. 1 Board's consideration and approval of the HPEC 2016 services contract and the EDI 2016 service contract. Mr. Woolard noted that both contract amounts are within the approved 2016 budget. Following review and discussion, upon motion duly made by Director Kendall, seconded by Director Hall and, upon vote, unanimously carried, it was

RESOLVED to approve the HPEC and EDI 2016 service contracts.

Mr. Woolard noted that the electrical/lighting services will be competitively bid and will be coordinated with bidding efforts for on-site facilities.

ITEMS FROM LEGAL COUNSEL

Mr. Pogue provided an update on the condemnation and City of Loveland third party reimbursement agreement.

Seventh Amendment to Master Financing Agreement: Mr. Pogue discussed the

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proposed Seventh Amendment to the Master Financing Agreement, noting he was waiting on comments back from the City of Loveland.

Director Kane left the meeting from 1:24 p.m. to 1:27 p.m.

OTHER MATTERS

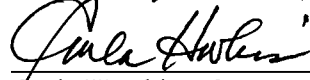
There were no other matters brought before the Boards.

CONTINUATION

Upon motion duly made, second, and unanimous vote, the meeting was continued to Monday, December 21, 2015 at 1:00 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting