

# RECORD OF PROCEEDINGS

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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  
September 15, 2016

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, September 15, 2016. 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 (via phone)  
Tom Hall, Secretary  
Josh Kane, Treasurer & Assistant Secretary  
Julie Den Herder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.  
Jim Niemczyk and David Crowder; McWhinney  
Peggy Dowswell, Brendan Campbell, Jason Woolard, Jim Worley, Shana  
Morgan, Darcy Chilton and Bob Hochworter; Pinnacle Consulting Group, Inc.  
Jonathan Heroux; Piper Jaffray & Co. (via phone)

CALL MEETING TO ORDER

The meeting was called to order at 12:04 p.m. by President Perry, noting that a quorum was present. The Directors in attendance introduced themselves and 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.

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

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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.

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## AGENDA

The Boards reviewed the agenda. Upon motion duly made by Director Hall, seconded by Director Den Herder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the agenda, as presented.

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## APPROVAL OF MINUTES

The minutes of the August 18, 2016 regular meeting were presented. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to approve the August 18, 2016 regular meeting minutes, as presented.

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

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## PUBLIC COMMENT

There were no comments made by members of the public.

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## EXECUTIVE SESSION

Executive Session pursuant to Section 24-6-402(4)(e), C.R.S., to determine positions on matters subject to negotiations, develop negotiating strategy, and instruct negotiators related to the 2017 Bond Offering.

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)(e), C.R.S., to determine positions on matters subject to negotiations, develop negotiating strategy, and instruct negotiators related to the 2017 Bond Offering. Upon motion duly made by Director Den Herder, seconded by Director Hall, and upon vote, unanimously

**RESOLVED** to convene an Executive Session, pursuant to § 24-6-402(4)(e), C.R.S., to determine positions on matters subject to negotiations, develop negotiating strategy, and instruct negotiators related to the 2017 Bond Offering.

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It is the 15<sup>th</sup> day of September, 2016 and the time is 12:07 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 Tom Hall, Josh Kane, Ben Kendall and Julie Den Herder; David Crowder; Legal Counsel, Alan Pogue; Project Manager, Jim Niemczyk; District Managers, Jim Worley and Shana Morgan; Project Administrator, Jason Woolard; District Accountants Peggy Dowswell and Brendan Campbell; and Jonathan Heroux, Piper Jaffray & Co.

This is an Executive Session for the following purpose: to determine positions on matters subject to negotiations, develop negotiating strategy, and instruct negotiators related to the 2017 Bond Offering.

The Executive Session was adjourned at 12:49 p.m. by a motion from Director Den Herder, a second by Director Hall, and with a unanimous vote. All participants were in the Executive Session at adjournment.

No decisions or actions were taken in the Executive Session.

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 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.

Mr. Heroux left the meeting at this time.

KENDALL PARKWAY  
UNDERPASS

Mr. Niemczyk reported that CDOT is engaging consultants for the design- build process. Director Perry suggested that the District utilize the services of a traffic oriented development engineer to better understand the impact of the project. Mr. Pogue noted that the cost sharing agreement allowed for the District's payment to be spread out over three years.

PARCEL 222 BID PACKAGE  
2 AND PARCEL 206 SEWER  
MAIN IMPROVEMENTS

Mr. Niemczyk reported that cost sharing agreements are in place for the landscape finishes and repairs and overall the project remains within budget.

Darcy Chilton and Bob Hochworter joined the meeting at this time.

SAVANNAH 2<sup>ND</sup>  
SUBDIVISION  
IMPROVEMENTS

Mr. Niemczyk and Mr. Woolard provided an overview of the project and reported that earthwork began on September 14<sup>th</sup>.

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Service Agreement with CMS Environmental Solutions, LLC: Mr. Woolard presented the Service Agreement with CMS Environmental Solutions, LLC for Stormwater Administration services. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Service Agreement with CMS Environmental Solutions, LLC for Stormwater Administration services, in an amount not to exceed \$8,245.

Service Agreement with All Terrain Environmental Control: Mr. Woolard presented the Service Agreement with All Terrain Environmental Control for Stormwater Maintenance services. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Service Agreement with All Terrain Environmental Control for Stormwater Maintenance services, in an amount not to exceed \$21,000.

PARCEL 206  
GRADING/INFRASTRUCTURE  
IMPROVEMENTS

Mr. Niemczyk reported that paving is scheduled to begin on September 27<sup>th</sup>, three weeks ahead of schedule. Phase 2 will begin in the Spring.

PARCEL 206 SURFACE  
PARKING

Mr. Niemczyk and Mr. Woolard provided a status on the project, noting that Hall-Irwin is on-site and grading will begin next week. Mr. Woolard noted that bidding for the landscape and irrigation portion of the project, is underway now with work scheduled for the Spring.

Service Agreement with All Terrain Environmental Control: Mr. Woolard presented the Service Agreement with All Terrain Environmental Control for Stormwater Maintenance services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Service Agreement with All Terrain Environmental Control for Stormwater Maintenance Services, in an amount not to exceed \$20,000.

PARCEL 505  
IMPROVEMENTS

Mr. Niemczyk noted that the hotel(s) successfully went through Concept Review Team meeting (CRT) at the City of Loveland, and further noted that a traffic study is needed to determine the additional traffic signal on Skypond.

CENTERRA PARKWAY  
REPAIR PROJECT

Mr. Woolard reported that the Centerra Parkway enhancement project is currently underway and will be complete in the next week.

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RANGEVIEW SWALE REPAIR PROJECT Mr. Woolard noted that Premier Earthwork is preparing to begin work on the project.

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CAPITAL FUND SUMMARY Mr. Campbell reviewed the capital fund summary with the Boards.

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FINANCIAL ITEMS Ratification of Payables: Mr. Campbell presented for approval the Payables Listing from July 27, 2016 through August 24, 2016, in the amount of \$132,086.23, including online and EFT payments. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the July 27, 2016 through August 24, 2016 Schedule of Payables, in the amounts and for the payments noted above.

Financial Report: Mr. Campbell presented unaudited Financial Statements through July 31, 2016. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to accept the Financial Report as presented.

2017 Budget Process: Mr. Campbell noted that per statutory deadlines a draft 2017 budget would be presented to the Boards by October 15, 2016 and the Boards would consider adoption at the regular November Board meeting.

2016 Financial Auditor: Mr. Campbell stated that the District can expect more SEC oversight in conjunction with the public bond offering and recommended the Board consider using an experienced regional or national firm for the 2016, and future, financial audits The Board agreed and Mr. Campbell stated that he will begin the RFP process.

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ITEMS FROM DISTRICT MANAGER Operations and Maintenance Report: Manager Worley stated that the September inspections with OLM will be completed on September 21, 2016. Mr. Worley also reported that 32 trees at the Motorplex complex have been flagged for removal by EDI. EDI will provide a proposal for removal.

Professional Service Agreement with Alpine Artisan Studios: Mr. Woolard presented Professional Service Agreement with Alpine Artisan Studios for Holiday Lighting. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Professional Service Agreement with Alpine Artisan Studios for Holiday Lighting, in an amount not to exceed \$20,060.

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### ITEMS FROM LEGAL COUNSEL

Lakeview Condemnation, related to the Third Party Reimbursement: Attorney Pogue reported that the Court of Appeals confirmed the ruling. The Boards determined not to move forward with further action and pay the attorney fees

First Amendment to Declaration of Improvements Easement: Attorney Pogue reported that the Victoria's Secret store in the Promenade Shops has requested an expansion, which would reduce the amount of sidewalk and subsequent driveway. In order to approve the expansion, the District would need to approve an amendment to the Improvement Easement. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to approve the First Amendment to the Declaration of Improvements Easement, subject to final review and approval by Attorney Pogue and Director Perry.

### OTHER MATTERS


No other matters were brought before the Boards.

### ADJOURNMENT

There being no further business to come before the Boards, and upon motion by Director Kane, second by Director Hall, and upon unanimous vote, the meeting was adjourned at 1:49 p.m.

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

Respectfully Submitted,

  
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Shana L. Morgan, Secretary for the Meeting