

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL 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 12, 2013

The Boards of Directors of the 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 special meeting, open to the public, at the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538 at Noon on Thursday, September 12, 2013. Notice of the meeting was 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
Jay Hardy, Vice President & Assistant Secretary
Josh Kane, Treasurer & Assistant Secretary
Tom Hall, Secretary
Julie Den Herder, Assistant Secretary/Treasurer

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue
Jim Niemczyk, McWhinney
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Jason Woolard, Pinnacle Consulting Group, Inc.

CALL TO
ORDER

The meeting was called to order at 12:06 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

Mr. 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 District. 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 Hardy, it was unanimously

RESOLVED to approve the agenda as presented.

APPROVAL OF
MINUTES

The minutes of the July 18, 2013, regular meeting were presented. Upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

RESOLVED to approve the July 18, 2013, minutes as presented.

ITEMS FROM
PROJECT MANAGER

Update on Boyd Lake Improvements: Mr. Niemczyk noted Lamp Rynearson was continuing with the roadway design and roundabout. The District will need to acquire approximately 0.5 acres of right-of-way. The project is on schedule with anticipated City approval in November and construction starting in January of 2014.

Update on Parcel 505: Mr. Niemczyk noted the District received a proposal from Merrick & Company for the interchange lift station design services. He asked the Board to consider an addendum to their existing engineering design contract.

Update on Parcel 102: Mr. Niemczyk stated an easement is required for the existing Parcel 102 under drain. Potholing is being scheduled to identify the location of the under drain. Construction on this parcel is anticipated for the spring of 2014.

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Fall River Roundabout: There has been no further Fall River roundabout cost sharing discussion with the City since last meeting. The Board requested that a schematic design be created to facilitate further dialogue with City staff.

Director Kane inquired about material costs. Mr. Niemczyk stated proposals received show an increase in asphalt paving costs due to fluctuating oil prices. He also noted a shortage in available labor in the area as a result of companies reducing their staff during the economic downturn.

ITEMS FROM THE FINANCE DIRECTOR

Approval of Payables: Ms. Dowswell presented for approval the August Schedules of Payables in the amount of \$194,604.28; including checks 5206 through 5231. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

RESOLVED to ratify the August Schedule of Payables as per the amounts and check numbers noted above.

Ms. Dowswell presented the financial statements as of July 31, 2013. The Board discussed the preliminary assessed values and regional fund balances. Ms. Dowswell and Director Kane agreed to forecast potential revenues and loan releases based on the current preliminary AV schedules.

The Board received in their Board packet the City of Loveland's Urban Renewal Authority 2012 Audit Report.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Mr. Woolard updated the Board on landscaping by ValleyCrest noting there had been an improvement in services during July in preparation for the USA Pro Challenge. The District is soliciting landscape proposals from the previous bidders. It is anticipated the Board will consider and select a contractor in November for landscaping services in 2014. Director Hardy noted that the plant material and trees in the Centerra Parkway median are struggling. Director Perry noted that there has been an ongoing problem with ice melt in the median. Soil samples have been taken and the District is waiting for the lab reports. Mr. Woolard noted that the 2014 budget will include repair and replacement funds for improvements in this area.

Service Agreements: The Merrick Company Addendum for lift station preliminary engineering design services was presented to the Board for approval. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

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RESOLVED to approve the Merrick Company Addendum for preliminary design services in the amount of \$20,000.

Ms. Hawkins asked the Board to consider approval of the Addendum with Alpine Artisan Studios for installation of the holiday lighting in the amount of \$38,677 and the Service Agreement with D & M Utility Services for District utility locating services in the amount not to exceed \$3,000 per year. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the Alpine Artisan Studio and D & M Utility Services Agreements per the amounts and services noted above.

ITEMS FROM LEGAL

Update on Parkway Products City of Loveland Third Party Reimbursement: Mr. Pogue presented for the Board consideration the Parkway Products settlement agreement. Upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve the Third Party Reimbursement Settlement Agreement for Parkway Products' local share of the Centerra Parkway improvement in a total amount of \$77,508.39.

Update on MFA Regional Improvement Designation and Authorize Legal Counsel to Proceed with City Attorney to Develop MFA Amendment: Mr. Pogue noted he and City Attorney, Mr. Duval, were working on the amendment to the Master Financing Agreement to designate Kendall Parkway and Boyd Lake Avenue as regional improvements, to allow for reimbursement of the Boyd Lake waterline costs, to designate Parcel 505 parking infrastructure improvements to be public and allow the District to own, operate and maintain the public parking improvements, and to make a few other house cleaning revisions; including designation of the third URA school site. Mr. Pogue anticipates the amendment to be considered by City Council in October.

Legislative Update: Mr. Pogue presented a memorandum updating the Board on 2013 legislation matters.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:30 p.m.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Carla Hawkins". The signature is written in a cursive style.

Carla Hawkins, Secretary for the Meeting