

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
August 18, 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, August 18, 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
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary

Directors Absent but Excused:

Ben Kendall, Vice President
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 and Darcy Chilton; Pinnacle Consulting Group, Inc.

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

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

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DISCLOSURE

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 Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

APPROVAL OF MINUTES

The minutes of the July 21, 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 July 21, 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.

PUBLIC COMMENT

There were no comments made by members of the public.

CDOT FACT SHEET

Director Perry reviewed with the Boards the CDOT Fact Sheet noting that construction is scheduled to begin early 2018.

KENDALL PARKWAY UNDERPASS

Mr. Niemczyk reported that the City of Loveland has requested that additional traffic studies be performed in order to determine the need and timing of improvements to the Kendall Parkway Underpass.

PARCEL 222 BID PACKAGE 2 AND PARCEL 206 SEWER MAIN IMPROVEMENTS

Mr. Niemczyk reported that the City of Loveland provided initial acceptance on July 25, 2016 and the project is now in the two-year warranty period. The District will request final acceptance on July 25, 2018.

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SAVANNAH 2ND
SUBDIVISION
IMPROVEMENTS

Mr. Niemczyk reported that construction will begin on the Savanna 2nd Subdivision Public Improvements on or about September 1, 2016.

WATER RIGHTS
DEDICATION

Mr. Niemczyk discussed the City of Loveland's water requirements for development and the Boards discussed the need to properly manage water used for irrigation. Mr. Woolard noted that a search was being conducted for a third party irrigation administrator.

PARCEL 206
GRADING/INFRASTRUCTURE
IMPROVEMENTS

Mr. Niemczyk reported that concrete curb and gutter should be complete by the beginning of October and paving complete by the end of October, with the second phase beginning in the Spring. Mr. Niemczyk also reported that Change Orders will be submitted for sleeving.

PARCEL 206 SURFACE
PARKING

Mr. Niemczyk and Mr. Woolard reviewed the bid results with the Boards noting that seven contractors attended the pre-bid meeting and bids were received from Hall-Irwin and DCP Civil. Director Kane requested that all vendors and contractors submit financials as a part of the qualification process prior to final selection and Mr. Woolard noted that within the bid documents there is a requirement for bidders to supply financials upon request. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract with Hall-Irwin for Parcel 206 Surface Parking in the amount of \$1,693,745.

Addendum with Pinnacle Consulting Group: Mr. Woolard presented the Addendum with Pinnacle Consulting Group for Project Administration Services. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Addendum with Pinnacle Consulting Group for Project Administration Services, in an amount not to exceed \$40,050.

Amendment to Professional Service Agreement with King Surveyors: Mr. Woolard presented the Amendment to the Professional Service Agreement with King Surveyors for surveying/staking services. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Professional Service Agreement with King Surveyors for surveying/staking services, in an amount not to exceed \$24,657.

Third Amendment to the Service Agreement with Kumar and Associates: Mr. Woolard presented the Third Amendment to the Service Agreement with Kumar

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and Associates for geotechnical quality assurance testing services. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Third Amendment to the Service Agreement with Kumar and Associates for geotechnical quality assurance testing services, in an amount not to exceed \$16,169.

PARCEL 505
IMPROVEMENTS

Mr. Niemczyk noted that the building plans for potential future hotel(s) are scheduled to be submitted to the City of Loveland in the next 8 weeks. Mr. Niemczyk also reported on the timing of the Interchange Lift Station noting that the permit was granted an extension to November 17, 2017 which means construction must commence prior to that date or that another permit extension be requested.

CENTERRA PARKWAY
REPAIR PROJECT

Mr. Woolard reported that the Centerra Parkway enhancement project is currently underway.

RANGEVIEW SWALE REPAIR
PROJECT

Contract with Premier Earthwork and Infrastructure: Mr. Woolard reported that drainage from Motorplex moves to the west across Rocky Mountain Avenue and has deposited a large amount of sediment which needs to be removed. Mr. Woolard presented a Change Order with Premier Earthwork and Infrastructure, noting that two of the enhancement projects will need to be moved to the 2017 budget in order to offset the costs of the swale repair. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Change Order with Premier Earthwork and Infrastructure, in the amount of \$34,998.10.

Amendment to the Professional Service Agreement with CWC Consulting Group, Inc.: Mr. Woolard presented the Amendment to the Professional Service Agreement with CWC Consulting Group, Inc. for engineering design services. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Professional Service Agreement with CWC Consulting Group, Inc. for engineering design services, in an amount not to exceed \$5,000.

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 2, 2016 through July 26, 2016, in the amount of \$204,423.41, including checks 6261 through 6273 and online and EFT payments. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the July 2, 2016 through July 26, 2016 Schedule of Payables, in the amounts and for the payments noted above.

Financial Report: Mr. Campbell presented unaudited Financial Statements through June 30, 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.

2016 Budget Amendment: Director Perry opened the 2016 Amended Budget Hearing to the public at 12:52 p.m. Mr. Worley reported that notice of the hearing had been published on August 15, 2016 in accordance with state budget law. Mr. Campbell reviewed the projected District No. 1 Capital Fund, and answered questions. The 2016 budget is to be amended as follows:

District No. 1, Service District:
Capital Fund Expenditures: \$148,203,922

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Adopt the Amended 2016 Capital Fund Budget for District No. 1 and appropriate budgeted funds.

Bond Issuance: Mr. Pogue and Director Kane reported that the Bond issuance is currently under review and scheduled to close December 2016/January 2017. Mr. Pogue requested that the Board approve the engagement letter with Sherman & Howard, noting that the fee is paid upon a successful closing. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the engagement letter with Sherman & Howard and authorize Director Perry to execute the engagement letter.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Manager Worley stated that Environmental Designs Incorporated (EDI) scored a 90% at Chapungu Park and 90% at Centerra, during the August inspections.

Service Agreement with SWPPP: Mr. Woolard reported that the current stormwater management contractor is no longer in business and requested the

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Boards consider SWPPP for stormwater management services. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Service Agreement with SWPPP, for stormwater management services.

Service Agreement with Integrity Lawn Professionals: Mr. Woolard presented Service Agreement with Integrity Lawn Professionals for landscape maintenance services at Boyd Lake Avenue. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Service Agreement with Integrity Lawn Professionals for landscape maintenance services at Boyd Lake Avenue.

Amendment to the Professional Service Agreement with OLM: Mr. Woolard presented an Amendment to the Professional Service Agreement with OLM for landscape inspection services at Boyd Lake Avenue. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Professional Service Agreement with OLM for landscape inspection services at Boyd Lake Avenue.

ITEMS FROM LEGAL
COUNSEL

Mr. Pogue reported that a request had been received for the District to purchase the Chapungu Park sculptures. The Boards discussed and directed consultants and legal counsel to research and provide more information.

OTHER MATTERS

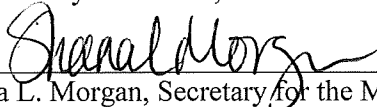
Mr. Niemczyk reported on the status of the Equalizer Lake study. Mr. Niemczyk also reported that he and Attorney Pogue will be attending a meeting with the City of Loveland regarding the Boyd Lake Avenue Third Party Reimbursement Agreement on August 30, 2016.

ADJOURNMENT

There being no further business to come before the Boards, and upon vote, second and unanimous vote, the meeting was adjourned at 1:31 p.m.

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

Respectfully Submitted,



Shana L. Morgan, Secretary for the Meeting