
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 21, 2014

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 12:00 p.m., Thursday, August 21, 2014. 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
Jay Hardy, Vice President & Assistant Secretary
Tom Hall, Secretary
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Deborah Early, Icenogle Seaver Pogue, P.C. (via phone)
Brendan Campbell, Peggy Dowswell, Jim Worley, Carla Hawkins, & Jason
Woolard, Pinnacle Consulting Group, Inc.
Will Welch, WTWC, LLC

The meeting was called to order at 12:04 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.

CONFLICT OF
INTEREST
DISCLOSURE

Ms. Early, 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 CBPP, LLC and primary landowners and developer within the District. Ms. Early advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting,

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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 Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

AGENDA

The Board reviewed the agenda. President Perry suggested moving #3) Project Management Reports before #2) Financial Matters. Upon motion duly made by Director Hardy and seconded by Director Hall it was unanimously

RESOLVED to approve the agenda as revised.

APPROVAL OF MINUTES

The minutes of the July 17, 2014, regular meeting was presented. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

RESOLVED to approve the July 17, 2014 minutes as presented.

ITEMS FROM PROJECT MANAGEMENT REPORTS

Parcel 505 Improvements

Director Hardy gave the project update noting the notice of award was issued to Connell Resources as directed by the Board at the August meeting. The notice to proceed is slated for early October after the infrastructure agreement is finalized and signed and to allow for adequate time to deliver the pad site in April 2015. Bass Pro's scheduled opening is for the summer of 2016. The infrastructure team is currently working on finalizing the infrastructure agreement. This agreement is scheduled to be completed and considered by the Board at the September meeting. The City of Loveland entitlement review and approval will follow and is anticipated to take 25 to 30 days.

Engineering Services Addendum between District No. 1 and Merrick

Director Hardy asked the Board to consider approval of an addendum for engineering services between Centerra Metropolitan District No. 1 and Merrick. The increased amount is a reflection of additional scopes of work for view corridors, electrical and land changes and increases in labor rates from 2012 to 2014. After discussion and upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve the Engineering Services Addendum with Merrick for an increase of \$126,647 for a total contract amount of \$445,547.

FINANCIAL MATTERS

Financial Report and Approval of Payables

Mr. Campbell presented for approval the August Schedule of Payables through August 15, 2014 in the amount of \$143,409.06; including checks 5528 through 5561. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

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RESOLVED to approve the August Schedule of Payables, in the amounts and the check numbers noted above.

Review of Capital Funding Summary

Mr. Campbell presented the Capital Fund Summary as of August 13, 2014, summarizing all capital projects budget and expense totals. There was a brief discussion of potential projects slated for 2015.

Additional Borrowing and Approval of Term Sheet with Bank Group

Director Kane and Ms. Dowswell updated the Board on the request for \$20,000,000 in additional money and modifications to the existing 2011 loan. The loan is anticipated to close on or prior to September 30, 2014. The District has the option to extend the existing maturity date of the 2011 loan from June 8, 2016 to either seven (7) years or ten (10) years from the 2014 closing date. The new loan agreement will amend the prepayment clause to reflect that after the two year anniversary of the closing date, the loan may be prepaid in whole or in part without penalty. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

RESOLVED to approve the term sheet and direct the finance team to continue their efforts to obtain additional borrowing with an anticipated closing on or before September 30, 2014.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report

Manager Worley stated that Brickman Group had received a score of 81 on the recent inspection and would not be receiving the August performance payment. The performance payment is 25% of the monthly contracted amount. Manager Worley stated a meeting is scheduled for August 24, 2014 to meet with Brickman Group representatives. The Brickman Group has requested to present a new management plan for Centerra.

LEGAL ITEMS

Service Plan Amendment/Inclusion Update

Ms. Early noted City Council had approved the service plan amendment with a vote of 8-1 at their August 5th meeting. The Service Plan Amendment authorizes District No. 1 to include certain additional property into its boundaries. The Board directed Ms. Early to file the appropriate motions with the court to obtain orders granting the inclusions of property, as provided in District No. 1's resolution, dated 17 July 2014, granting the inclusions.

OTHER MATTERS

There were no other matters brought before the Board.

PUBLIC COMMENTS

The Board opened the meeting to public comments. Upon receiving no comments, this portion of the meeting was closed.

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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned 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