

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
October 20, 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, October 20, 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

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Jim Niemczyk, Dave Betley and David Crowder; McWhinney
Peggy Dowswell, Brendan Campbell, Jason Woolard, Jim Worley,
Shana Morgan, Darcy Chilton; Pinnacle Consulting Group, Inc.

CALL MEETING TO ORDER

The meeting was called to order at 12:05 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, stated that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary

RECORD OF PROCEEDINGS

DISCLOSURE

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 Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

APPROVAL OF MINUTES

The minutes of the September 15, 2016 regular meeting were presented. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the September 15, 2016 regular meeting minutes, as presented.

RESIGNATION

Mr. Pogue reported that Julie Den Herder submitted a resignation letter on October 4, 2016. Following 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 resignation of Julie Den Herder.

PUBLIC COMMENT

There were no comments made by members of the public.

PARCEL 222 BID PACKAGE 2 AND PARCEL 206 SEWER MAIN IMPROVEMENTS

Mr. Niemczyk reported that the public improvements are under a two-year warranty period. The District will request final acceptance on July 25, 2018.

RECORD OF PROCEEDINGS

SAVANNAH 2ND
SUBDIVISION
IMPROVEMENTS

Mr. Niemczyk reported that grading is complete and pipework is scheduled to begin on or about December 1, 2016.

PARCEL 206
GRADING/INFRASTRUCTURE
IMPROVEMENTS

Mr. Niemczyk reported that paving is partially completed with the western lot scheduled to be completed by mid-November. Phase 2, landscape and irrigation improvements, will begin in the Spring.

PARCEL 206 SURFACE
PARKING

Mr. Niemczyk and Mr. Woolard reviewed the bid results with the Boards noting that bids were received from Metco Landscape, Inc., Alpine Gardens, and Environmental Designs Inc., with Alpine Gardens submitting the low bid. 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 Alpine Gardens, for public landscape and irrigation improvements, in the amount of \$357,799.58.

Amendment to Service Agreement with Kumar & Associates: Mr. Woolard presented the Second Amendment to the Service Agreement with Kumar & Associates, for Final Pavement Designs. 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 Kumar & Associates for Final Pavement Designs, in an amount not to exceed \$4,165.

PARCEL 102
IMPROVEMENTS

Public Sidewalk Improvements: Mr. Niemczyk reported that sidewalk improvements, including landscape and irrigation to the tree lawn, need to be completed and that as a cost savings measure the District could use the contractor that is already on-site. Following review and discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to authorize the Public Sidewalk Improvements, in an amount not to exceed \$40,000.

RECORD OF PROCEEDINGS

KENDALL PARKWAY UNDERPASS

Mr. Niemczyk and Mr. Woolard reported on the project and noted that a consultation meeting with CDOT is scheduled for October 27th and requested the Board consider engaging Fox Tuttle Hernandez to attend the meeting on the Districts behalf. Following review and discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to engage Fox Tuttle Hernandez, in an amount not to exceed \$5,000.

PARCEL 504 IMPROVEMENTS

Mr. Niemczyk reported that a residential project had been proposed for the northern side of Parcel 504 and requested the Boards consider engaging a Civil Engineer for public improvement design, relative to the project. Mr. Niemczyk reported that three bids have been received, ranging from \$140,000 - \$200,000. Mr. Niemczyk asked the Boards to approve an initial contract amount of \$60,000. Following review and discussion and upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to authorize engaging a civil engineer, in an amount not to exceed \$60,000.

PARCEL 505 IMPROVEMENTS

Mr. Niemczyk reported that there is no new information to bring before the Boards.

PARCEL 505 LIFT STATION IMPROVEMENTS

Mr. Niemczyk reported that there is no new information to bring before the Boards.

MCWHINNEY BLVD STREETSCAPE IMPROVEMENTS

Mr. Niemczyk reported that there is no new information to bring before the Boards.

CAPITAL FUND SUMMARY

Mr. Campbell reviewed the capital fund summary with the Boards.

SERVICE AGREEMENT NEGOTIATIONS AND EXECUTION

The Boards tabled the discussion regarding the Service Agreement Negotiations and Execution until the January 2017 Board meeting.

RECORD OF PROCEEDINGS

FINANCIAL ITEMS

Ratification of Payables: Mr. Campbell presented for approval the Payables Listing from August 25, 2016 through September 30, 2016, in the amount of \$798,877.57, including check numbers 6274 through 6322 and online and EFT payments. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the August 25, 2016 through September 30, 2016 Schedule of Payables, in the amounts and for the payments noted above.

2017 Draft Budget: Mr. Campbell and Mr. Woolard reviewed the draft 2017 budgets with the Boards and noted that they will be meeting with Director Perry for a more thorough review. The budget hearing is in November.

Mill Levy Comparison Chart: Mr. Campbell reviewed the Mill Levy Comparison Chart with the Boards.

LURA Audit Report: Mr. Campbell reviewed the LURA Audit report with the Boards.

2016 Financing Items: Director Kane, Attorney Pogue and Ms. Dowswell provided an update on the 2016 financing noting that the bond closing is scheduled for February 2017. Following review and discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to authorize the Finance Team to engage a bond underwriting co-manager, following the return of information from Piper Jaffray, it was further

RESOLVED to authorize the Finance Team to negotiate and execute the following agreements:

- 1) Meyers Research for a market feasibility study, in the amount of \$99,500,
 - 2) D.A. Davidson as underwriter,
 - 3) Financial Services Agreement and Swap Advisor Services with Piper Jaffray,
 - 4) Simmons & Wheeler, financial forecast, and
 - 5) Underwriting co-manager.
-

RECORD OF PROCEEDINGS

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Manager Worley stated that Environmental Designs Incorporated scored a 92% at Chapungu Park and 90% at Centerra, during the September inspections.

Manager Worley reported that there was an auto accident with subsequent damage to the Motorplex Monument sign and Pinnacle is working with insurance to file a claim and coordinate repairs.

Manager Morgan reported that a Third Party Reimbursement Agreement is in place related to the development at the corner of Highway 34 and Hahns Peak and has been in contact with the City regarding the timing of the reimbursement.

Fifth Amendment to Service Agreement with Environmental Designs Incorporated: Mr. Woolard presented the Fifth Amendment to the Service Agreement with Environmental Designs, Inc. for the I25/34 Interchange Rehab Project, Phase 1. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Fifth Amendment to the Service Agreement with Environmental Designs, Inc. for 25/34 Interchange Rehab Project, Phase 1, in an amount not to exceed \$27,163.

ITEMS FROM LEGAL COUNSEL

Lakeview Condemnation Attorney Fees Settlement: Attorney Pogue reported that a settlement amount for attorney fees related to the Lakeview condemnation proceedings had been received in the amount of \$46,669, and requested the Boards consideration. Upon motion duly made by Director Hall, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to authorize a settlement amount of \$46,669 for attorney fees related to the Lakeview Condemnation.

OTHER MATTERS

No other matters were brought before the Boards.

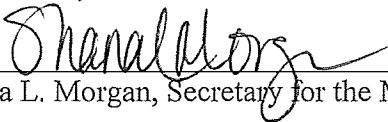
ADJOURNMENT

There being no further business to come before the Boards, and upon motion by Director Hall, second by Director Kane, and upon unanimous vote, the meeting was adjourned at 1:54 p.m.

RECORD OF PROCEEDINGS

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