

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
April 21, 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, April 21, 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 (via phone)
Ben Kendall, Vice President (via phone)
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary
Julie Den Herder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Deborah Early; Icenogle Seaver Pogue, P.C.
Jim Niemczyk; McWhinney
Mike Warren; McWhinney (via phone)
Brendan Campbell, Kirsten Starman, Peggy Dowswell, Jim Worley, and Carla Hawkins; Pinnacle Consulting Group, Inc.
Ralph Trenary; Public

CALL MEETING TO ORDER

The meeting was called to order at 12:04 p.m. by Manager Worley, 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

Deborah 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

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DISCLOSURE

Real Estate Services, Inc., which is associated with the primary landowners and developer within the Districts. Ms. Early 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 amended under Sections II. and V. Capital Infrastructure and Legal, respectively.

APPROVAL OF MINUTES

The minutes of the March 17, 2016 regular meeting were presented. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the March 17, 2016 minutes as presented.

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

PUBLIC COMMENT

Mr. Trenary stated that he continues to be impressed with the dedication of the Boards' accomplishing construction and continued maintenance of public infrastructure within Centerra and the region. Director Kane thanked him for his support.

GLIC – EQUALIZER DAM STUDY

Mr. Niemczyk presented the Equalizer Dam Peer Review Report Findings. He gave the history of the project and the State's re-classification of the dam to a high hazard dam. The peer review finds the most feasible cost efficient alternative is to reduce the dam from small to minor size which reduces the surface acreage from 180 acres to 36 acres; a significant impact on Equalizer Lake and adjacent property values. The Board gave direction to Mr. Niemczyk to continue cooperative design discussion to work towards an equitable solution to preserve the asset. Upon motion duly made by Director Den Herder, seconded by Director Hall and upon vote, unanimously carried, it was

RESOLVED to approve entering into an agreement with GLIC for design alternatives for Equalizer Lake in an amount not to exceed \$113,900, with the District's share not to exceed 50% of total costs.

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HAHNS PEAK
EXTENSION
IMPROVEMENTS

Mr. Niemczyk reported pavement stripping is complete and the project is on budget.

PARCEL 222 BID
PACKAGE 2
IMPROVEMENTS

Mr. Niemczyk reported that paving will begin next week for this project.

PARCEL 206 SEWER
MAIN IMPROVEMENTS

Mr. Niemczyk reported the District is currently under budget. The City accepted the sewer improvements on April 18, 2016 starting the 2-year warranty period.

PARCEL 206 GRADING/
INFRASTRUCTURE
IMPROVEMENTS

Construction Contract with Connell Resources, Inc.: Ms. Starman presented the Construction Contract with Connell Resources, Inc. for Parcel 206 grading and temporary parking. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Construction Contract with Connell Resources, Inc. for Parcel 206 grading and temporary parking, in the amount of \$406,110.

Addendum with Pinnacle Consulting Group, Inc.: Ms. Starman presented the Addendum with Pinnacle Consulting Group, Inc. for Parcel 206 grading and temporary parking project administration services. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Addendum with Pinnacle Consulting Group, Inc. for Parcel 206 grading and temporary parking project administration services, in an amount not to exceed \$16,690.

Professional Service Agreement with King Surveyors: Ms. Starman presented the Professional Service Agreement with King Surveyors for Parcel 206 grading and temporary parking project surveying/staking services. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Professional Service Agreement with King Surveyors for Parcel 206 grading and temporary parking project surveying/staking services, in an amount not to exceed \$6,456.

Professional Service Agreement with Kumar & Associates: Ms. Starman presented the Professional Service Agreement with Kumar & Associates for Parcel 206

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grading and temporary parking project QA testing services. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Professional Service Agreement with Kumar & Associates for Parcel 206 grading and temporary parking project QA testing services, in an amount not to exceed \$6,432.

Professional Service Agreement with CMS Environmental: Ms. Starman presented the Professional Service Agreement with CMS Environmental for Parcel 206 grading and temporary parking project stormwater administration services. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to ratify the Professional Service Agreement with CMS Environmental for Parcel 206 grading and temporary parking project stormwater administration services, in an amount not to exceed \$6,900.

Amendment with CWC Consulting: Ms. Starman presented an Amendment with CWC Consulting for Rocky Mountain Avenue roundabout addition engineering services. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment with CWC Consulting for Rocky Mountain Avenue roundabout addition engineering services, in an amount not to exceed \$121,580.

Ms. Perry left the meeting at 1:00 p.m. and Mr. Kendall left the meeting at 1:05 p.m.

PARCEL 206 PARKING

Mr. Niemczyk asked the Board to consider an amendment to the Interwest Consulting agreement for Parcel 206 parking engineering services agreements, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA. 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 agreement with Interwest Consulting for Parcel 206 parking engineering services, in an amount not to exceed \$95,000, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA.

Mr. Niemczyk asked the Board to consider an amendment to the RNL Design agreement for Parcel 206 parking design services, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

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RESOLVED to approve the amendment to the agreement with RNL Design for Parcel 206 parking design services, in an amount not to exceed \$71,974, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA.

KENDALL PARKWAY
UNDERPASS

Mr. Niemczyk reported CDOT appreciates Centerra Metropolitan District No. 1's extended support for the Kendall Parkway bridge and underpass. Ms. Early inquired as to the status of the resolution approving the District's financial commitment for the construction of the bridge and underpass. Mr. Niemczyk was obtaining signatures from Ms. Perry and Mr. Hall and would submit a copy of the resolution to CDOT by Friday, April 22.

KENDALL
PARKWAY/MAIN
STREET IMPROVEMENTS

Mr. Niemczyk stated the Centerra DRC has reviewed the roadway design and the second submittal was provided to the City of Loveland in early April.

BOYD LAKE AVENUE
IMPROVEMENTS

There were no new items to bring before the Board.

CAPITAL FUND
SUMMARY

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

FINANCIAL ITEMS

Ratification of Payables: Mr. Campbell presented for ratification the Payables Listing from February 26, 2016 through March 28, 2016, in the amount of \$634,236.64; including checks 6165 through 6184 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 ratify the February 26, 2016 through March 28, 2016 Schedule of Payables, in the amounts and for the payments noted above.

Ratification of 2015 Audit Exemptions: Mr. Campbell presented for the Boards' approval the applications for exemption from the 2015 Financial Audit for District Nos. 2-5. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to ratify the applications for exemption from the 2015 Financial Audit for District Nos. 2-5.

Financial Report: Mr. Campbell presented unaudited Financial Statements through

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March 31, 2016. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to accept the financial report as presented.

2016 Budget Amendment: Manager Worley opened the 2016 Amended Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on April 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: \$143,066,078

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 Den Herder, seconded by Director Kane, 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.

Mill Levy Discussion: Ms. Dowswell reviewed the Mill Levy Comparison worksheets for commercial, industrial and residential project types. The Board asked that the worksheets identify the Districts affiliated with McWhinney with shaded colors.

Update on 2016 Financing and Term Sheet: Director Kane updated the Boards stating the term sheet negotiations were in a holding pattern until the matters involving URA HB1438 were resolved with Compass Bank's legal counsel.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Manager Worley stated the OLM inspections were conducted and EDI had received failing scores on both the Metro District and Chapungu Park areas. EDI has been asked to address the failing scores with a written explanation no later than the end of the day.

Mr. Warren left the meeting at 1:42 p.m.

Master Financing Agreement Seventh Amendment: Ms. Early presented the Minor Modification to the Seventh Amendment of the MFA and asked for approval by District No. 1, subject to review the Loveland City Attorney. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Minor Modification to the Seventh Amendment to the MFA, subject to the City Attorney's review and approval.

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CP 206 LLC and District No. 1 Easement Agreement: Ms. Early discussed the need for District No. 1 to obtain an easement from CP 206, LLC, for construction, operations and maintenance of public surface parking on Parcel 206. Ms. Den Herder indicated that CP 206, LLC will not own the property until May. Upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was


RESOLVED to approve an Easement Agreement between District No. 1 and CP 206, LLC for the construction and operations and maintenance of public surface parking on Parcel 206, upon ownership of the property by CP 206, LLC.

No other matters were brought before the Boards.

There being no further business to come before the Boards, the meeting was adjourned at 1:58 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