

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
July 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, July 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
Ben Kendall, Vice President
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary
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, Kirsten Starman, Dylan Engberg, Jim
Worley, Shana Morgan and Darcy Chilton; Pinnacle Consulting Group, Inc.
Sam Sharp; D.A. Davidson
Tom LeFleur; Piper Jaffray & Co.
Jonathan Heroux; Piper Jaffray & Co.
Christy Reeves, John Cutler & Associates, LLC

CALL MEETING TO
ORDER

The meeting was called to order at 12:02 p.m. by President Perry, 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

Alan Pogue, legal counsel, noted that notices of potential conflicts of interest for all

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INTEREST DISCLOSURE

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 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 Den Herder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

APPROVAL OF MINUTES

The minutes of the May 19, 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 May 19, 2016 regular meeting minutes, as amended.

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

PUBLIC COMMENT

There were no comments made by members of the public.

FINANCIAL ITEMS

2015 Financial Audit for District No. 1 and PIF Revenue Account: Mr. Campbell introduced Christy Reeve with John Cutler & Associates. Ms. Reeve presented an overview of the 2015 Financial Audit for District No. 1 and for the PIF Revenue Account. Ms. Reeves stated that both Audits received a clean opinion. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the 2015 Financial Audit for District No. 1 and the PIF Revenue Account, as presented, and direct Pinnacle Consulting Group to file the Audits with the State Auditor, per State Statute.

Ms. Reeve left the meeting at this time.

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EXECUTIVE SESSION

Executive Session pursuant to Section 24-6-404(4)(e), C.R.S. for the purpose of developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations related to financing options.

Mr. Pogue advised the Boards that it was permitted, upon compliance with requisite statutory procedures under the Colorado Open Meetings Law, for the Boards to convene an executive session, pursuant to § 24-6-404(4)(e), C.R.S., for the purpose of developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations related to financing options. Upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

RESOLVED to convene an Executive Session, pursuant to § 24-6-404(4)(e), C.R.S., to developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations related to financing options.

It is the 21st day of July, 2016 and the time is 12:09 p.m. For the record, I, Kim Perry, am the presiding officer. This Executive Session is recorded pursuant to the requirements of the Colorado Open Meetings Law. Also present at this Executive Session are: Director Tom Hall, Director Josh Kane, Director Ben Kendall and Director Julie Den Herder; David Crowder; Legal Counsel, Alan Pogue; District Managers, Jim Worley and Shana Morgan; District Accountants Peggy Dowswell and Brendan Campbell; and special consultants Sam Sharp, Tom LeFleur, and Jonathan Heroux.

This is an Executive Session for the following purpose: developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations related to financing options.

The Executive Session was adjourned at 1:21 p.m. by a motion from Director Hall, a second by Director Kane, and with a unanimous vote. All participants were in the Executive Session at adjournment.

No decisions or actions were taken in the Executive Session.

For the record, if any person participating in the Executive Session believes any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or any improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, I ask you state your concerns for the record.

No objections were stated.

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2016 FINANCING OPTIONS

Mr. Sharp presented scenarios for a public bond issuance. The Board directed its consultants to begin the process for a public bond. Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to approve Icenogle Seaver Pogue, Pinnacle Consulting Group, Piper Jaffray & Co., Kutak Rock, and Sherman & Howard in concert with D.A. Davidson to begin the public bond issuance.

Sam Sharp, Jonathan Heroux and Tom LeFleur left the meeting at this time.

Jim Niemczyk, Kirsten Starman, Darcy Chilton, Dylan Engberg and Ralph Trenary joined the meeting at this time.

PARCEL 206 SURFACE PARKING

Mr. Niemczyk stated that approved plans had been received by the City of Loveland on July 15th. Ms. Starman reported that the bidding process has begun and bids are due on August 12th. Ms. Starman noted that the bids will be analyzed and presented to the Board at the August 18th Board meeting.

SAVANNAH 2ND SUBDIVISION IMPROVEMENTS

Construction Contract for Public Infrastructure Improvements: Ms. Starman reviewed the public bid results for public infrastructure improvements, which included pipe work to be completed in the fall and winter and paving work to be completed in the spring. Ms. Starman reported that two contractors submitted bids, Duran Excavating and Premier Earthworks & Infrastructure (PEI). Ms. Starman distributed and reviewed the bid analysis with the Board noting that PEI submitted the lowest most responsive bid and therefore recommended awarding the contract to PEI. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract to Premier Earthworks & Infrastructure in the amount of \$1,737,913.43.

Addendum with Pinnacle Consulting Group, Inc.: Ms. Starman presented the Addendum with Pinnacle Consulting Group, Inc. for Project Administration Services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Addendum with Pinnacle Consulting Group, Inc. for Project Administration Services, in an amount not to exceed \$56,250.

Amendment with CWC Consulting Group: Ms. Starman presented the Amendment with CWC Consulting Group for Engineering Construction Phase Services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment with CWC Consulting Group for

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motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment with CWC Consulting Group for Engineering Construction Phase Services, in an amount not to exceed \$18,075.

Amendment with King Surveyors: Ms. Starman presented the Amendment with King Surveyors for Surveying/Staking Services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment with King Surveyors for Surveying/Staking Services, in an amount not to exceed \$30,666.

Amendment with Ground Engineering: Ms. Starman presented the Amendment with Ground Engineering for Geotechnical Engineering and Quality Assurance Testing Services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment with Ground Engineering for Geotechnical Engineering and Quality Assurance Testing Services, in an amount not to exceed \$17,567.50.

SOUTH BOYD LAKE IMPROVEMENTS

Mr. Niemczyk stated that the City of Loveland has requested the Boards discuss the advancement of the enhancement project at Highway 34 and Boyd Lake Avenue. The Boards discussed the Districts participation in the project.

CAPITAL FUND SUMMARY

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

FINANCIAL ITEMS

Ratification of Payables: Mr. Campbell presented for approval the Payables Listing from April 26, 2016 through July 1, 2016, in the amount of \$1,084,700.42, including checks 6210 through 6259 and online and EFT payments. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the April 26, 2016 through July 1, 2016 Schedule of Payables, in the amounts and for the payments noted above.

Mr. Niemczyk left the meeting at this time.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Manager Worley stated that Environmental Designs Incorporated (EDI) improved their scores to 94% at Chapungu Park and

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90% at Centerra during the July inspections.

Amendment with Environmental Designs Inc.: Mr. Engberg presented an Amendment with Environmental Designs Inc., for Centerra Parkway Landscape Repairs Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to ratify the Amendment to the Contract Agreement with Environmental Designs Inc. for Centerra Parkway Landscape Repairs, in an amount not to exceed \$182,282.98.

Services Agreement with Loveland Barricade: Mr. Engberg presented a Service Agreement with Loveland Barricade for Centerra Parkway Landscape Repair Traffic Control. Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to ratify the Service Agreement with Loveland Barricade for Centerra Parkway Landscape Repair Traffic Control, in an amount not to exceed \$8,000.

Contract Amendment with Environmental Designs Inc.: Mr. Engberg presented a Contract Amendment with Environmental Designs Inc. for Centerra I-25/Promenade Planter Bed Repairs. Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to ratify the Contract Amendment with Environmental Designed Inc. for Centerra I-25/Promenade Planter Bed Repairs, in an amount not to exceed \$90,000.

Contract Amendment with Environmental Designs Inc.: Mr. Engberg presented a Contract Amendment with Environmental Designs Inc. for Centerra Tree/Plant Replacements. Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to ratify the Contract Amendment with Environmental Designs Inc. for Centerra Tree/Plant Replacements, in an amount not to exceed \$60,550.

Contract Amendment with Environmental Designs Inc.: Mr. Engberg presented a Contract Amendment with Environmental Designs Inc. for Mulch Replacements. Upon motion duly made by Director Kane, seconded by Director Kendall, and upon vote, unanimously carried, it was

RESOLVED to ratify the Contract Amendment with Environmental Designs Inc. for Mulch Replacements, in an amount not to exceed \$60,000.

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ITEMS FROM LEGAL
COUNSEL

Mr. Pogue discussed the Third Party Reimbursement agreement with the City of Loveland

OTHER MATTERS

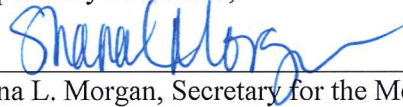
No other matters were brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:50 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