

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL 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
January 30, 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 10:00 am, Thursday, January 30, 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
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue
Jim Niemczyk, McWhinney
Jim Worley, Pinnacle Consulting Group, Inc.
Jason Woolard, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Kirsten Starman, Pinnacle Consulting Group, Inc.
Ralph Trenary, Loveland City Council
Allison Hall

CALL TO
ORDER

The meeting was called to order at 10:03 a.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.

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CONFLICT OF INTEREST DISCLOSURE

Mr. 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 Real Estate Services, Inc., which is associated with the primary landowners and developer within the District. Mr. Pogue 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, 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. Upon motion duly made by Director Hardy and seconded by Director Kane it was unanimously

RESOLVED to approve the agenda as presented.

APPROVAL OF MINUTES

The minutes of the November 21, 2013 regular meeting and December 17, 2013 special meeting were presented. Director Perry pointed out that Director Den Herder is the Assistant Secretary and Assistant Treasurer. The November meeting minutes were changed to reflect Lamp Rynearson & Associates designed the Lost Creek roundabout. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

RESOLVED to approve the November 21, 2013 and December 17, 2013 minutes as amended.

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

ITEMS FROM PROJECT MANAGER

Boyd Lake Improvements

Project Manager, Mr. Niemczyk, updated the Board on the Boyd Lake Avenue improvements noting the engineer is currently working on alignment of the road. The relocation of the water line and dry utility work is planned prior to the road construction.

Parcel 505 Improvement Updates

Director Hardy updated the Board Parcel 505 transaction noting the contracts have been fully executed by the parties. Director Hardy stated William T. Welch, LLC has submitted a project management services proposal for consideration. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve a project management consulting services agreement with Welch for Parcel 505 public improvements in the amount not to

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exceed \$93,175 subject to final review of the contract by attorney Pogue and Director Hardy and subject to City Council approving the Sixth Amendment to the Master Financing Agreement.

Parcel 102 Improvement Updates

Director Hardy mentioned that the Lakeshore builder is interested in purchasing land within Parcel 102 to build additional condominiums.

Motorplex – Mini Cooper

Mr. Niemczyk stated infrastructure improvements include expansion of the sidewalk and landscaping along the road south of the current facility. Director Hardy gave a brief summary of Mini Cooper's expansion stating they purchased additional land for vehicle inventory and their future plan is to purchase land to the west of their existing building for a detail center.

ITEMS FROM THE FINANCE DIRECTOR

Financial Report and Approval of Payables

Mr. Campbell presented for approval the December Schedule of Payables through December 31, 2013 in the amount of \$147,068.92; including checks 5317 through 5339 and January Schedule of Payables through January 16, 2014 in the amount of \$50,306.31; including checks 5340 through 5361. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the December 2013 and January 2014 Schedule of Payables, in the amounts and the check numbers noted above.

Mr. Campbell presented the December 31, 2013 financial statements and the current cash position report.

Mr. Campbell handed out the District information sheet illustrating the District's financial stability.

2014 AMENDED CAPITAL BUDGET HEARING AND ADOPTION OF RESOLUTION

Director Perry opened the 2014 Amended Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on January 28, 2014 in accordance with state budget law. Mr. Campbell reviewed the proposed amended capital fund budget and answered questions pertaining to the estimated expenditures. The amended budget by fund is as follows:

District No. 1, Service District:
Capital Fund Expenditures: \$3,354,175

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

RESOLVED to approve the Resolutions to Adopt the Amended 2014 Capital Fund Budget and Appropriate budgeted funds.

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ITEMS FROM THE
DISTRICT MANAGER

Approval of DTJ Addendum for Conceptual Design Services

Director Perry stated there is interest in providing a public town center amenity within parcel 504. An Addendum to the DTJ Professional Services Agreement for conceptual design services was submitted for the Board's consideration and approval. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

RESOLVED to approve the DTJ Addendum in an amount not to exceed \$22,000.

Operations and Maintenance Report

Mr. Worley noted the landscaping and snow removal transition meeting between ValleyCrest and Brickman had recently taken place and had gone smoothly. Mr. Worley mentioned he had attended meetings with Brickman and the City of Loveland Art Commission to discuss the I25 & Hwy 34 sculpture slated to be installed this spring. CDOT is currently reviewing the plans.

ITEMS FROM
DISTRICT LEGAL
COUNSEL

Consider Approval of the Sixth Amendment to the Master Financing Agreement (MFA)

Mr. Pogue stated the Sixth Amendment designates Parcel 505 Parking improvements as local public infrastructure improvements and allows District No. 1 to reimburse the City for the construction of the Boyd Lake waterline. In addition to the Sixth Amendment, Council will consider a resolution authorizing District No. 1 to use the 2008 Regional Improvement Subaccount fund balance to construct the wastewater lift station to serve Parcel 505 and other adjacent properties. Loveland City Council will consider approval of this resolution and the Sixth Amendment at their February 4, 2014 Council meeting. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Sixth Amendment to the Master Financing Agreement as noted above.

Consider Approval of the Intergovernmental Agreement between Centerra Metropolitan District No. 1 & The Lakes at Centerra Metropolitan District No. 1

Mr. Pogue noted the Master Financing Agreement allows for Centerra Metropolitan District to fund the construction of regional improvements including Boyd Lake Avenue. Mr. Pogue asked the Board for approval of the IGA between Centerra Metropolitan District No. 1 and The Lakes Metropolitan District No. 1 allowing The Lakes District to construct Boyd Lake Avenue and Centerra Metropolitan District to advance escrow funds to pay for the improvements. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the Intergovernmental Agreement between Centerra Metropolitan District No. 1 and The Lakes at Centerra Metropolitan District No. 1 for Boyd Lake infrastructure improvements up to \$2,975,000.

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Mr. Pogue updated the Board on the Boyd Lake Avenue condemnation proceedings noting the hearing for immediate possession is scheduled for February 20, 2014.

BOARD MEMBER
COMMENTS

Director Kane noted a term sheet had been received for an additional \$13 million of borrowing capacity for the Districts. He and Ms. Dowsell are reviewing the term sheet and continuing negotiations with the Banks.

OTHER MATTERS

There were no other matters brought before the Board.

PUBLIC COMMENTS

The Board opened the meeting to public comments. Ralph Trenary thanked the Board for all their efforts and noted that the District meetings are informative. He stated he is unable to attend the Council meeting on February 4, 2014 and noted that he does not expect any concerns to be raised during the MFA amendment discussion. Upon receiving no further comments, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:04 a.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