
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
October 23, 2014

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 special meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Thursday, October 23, 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:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Brendan Campbell, Peggy Dowswell, Jim Worley, Shana Morgan, & Jason Woolard; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney (departed at 12:29)
Tom LaFleur; Piper Jaffray & Co.
Tom Peltz, Kutak Rock, LLP
Steve Ellsworth, University of Colorado Health
Jeff Lindquist and Jon Moellenberg, RBC Capital Markets, LLC

CALL MEETING TO
ORDER

The meeting was called to order at 12:00 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.

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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 Den Herder, and seconded by Director Kane, it was unanimously

RESOLVED to approve the agenda as amended, moving items under 3a, and items under 6 to follow item number 1.

APPROVAL OF
MINUTES

The Board determined to move the approval of the September 18, 2014 minutes to the November 20, 2014 agenda.

FINANCIAL
MATTERS

2014 Loan Approval

Ms. Dowswell introduced Tom LaFleur with Piper Jaffray, the District's Qualified Independent Representative (QIR) related to swaps. She reported that Mr. LaFleur reviewed the loan and SWAP documents on behalf of the District to ensure compliance with current rules and regulations. Mr. Pogue provided an overview of the 2011 Loan and the status of the 2014 Loan Process.

SWAP Presentations: Mr. LaFleur distributed and reviewed a summary of his findings regarding the loan and SWAP documents. Tom Peltz, bond counsel from Kutak Rock, outlined the proposed transaction and the Authorizing Resolutions authorizing the District to enter into the transaction. Following the presentation from Mr. LaFleur, Mr. Peltz, Mr. Pogue, and Ms. Dowswell describing the transaction and loan provisions the Boards were presented with an Authorizing Resolution (the "Authorizing Resolution") for a Direct Loan among Compass Bank, U.S. Bank BOKF, N.A. d/b/a Colorado State Bank and Trust, Colorado Business Bank, Vectra Bank, and Centerra Metropolitan District Nos. 1-5. The resolution authorizes the execution of the Loan Agreement, Custodial Agreement, ISDA SWAP Agreements, Issuance of Promissory Note to Secure Payment, and all other financing documents, and affirms all agreement related thereto. Following review and discussion, and upon motion duly made by Director Kane, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the Authorizing Resolution for each of the Centerra Metropolitan District Nos. 1-5.

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EXECUTIVE SESSION

Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of discussing specific legal issues with general counsel related to the formation of the Parcel 508 Sub-District and the Districts' 2011 Financing. Mr. Pogue advised the Boards that it was permitted, upon compliance with requisite statutory procedures under the Colorado Executive Session Laws, for the Boards to convene an executive session, pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of discussing specific legal issues with general counsel on specific questions related to the formation of the Parcel 508 Sub-District and the Districts' 2011 Financing. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

RESOLVED to convene an Executive Session, pursuant to § 24-6-402(4)(b), C.R.S., to receive legal advice from legal counsel on specific legal questions.

It is the 23rd day of October, 2014 and the time is 12:40 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: Directors Kim Perry, Jay Hardy, Tom Hall, Josh Kane and Julie Den Herder, Alan Pogue, Peggy Dowswell and Tom Peltz.

This is an Executive Session for the following purpose: for receiving legal advice from legal counsel on specific legal questions related to the Centerra Metropolitan District Nos. 1-5 2011 financing and to discuss legal issues related to Parcel 508 Sub-district.

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.

Upon motion by Director Den Herder, and seconded by Director Kane, the executive session concluded and the meeting returned to open session at 1:21 p.m. The participants in the Executive Session were Directors Kim Perry, Jay Hardy, Tom Hall, Josh Kane and Julie Den Herder, Alan Pogue, Peggy Dowswell and Tom Peltz.

No decisions or actions were taken in the Executive Session.

Director Kane departed the meeting at this time.

ENGAGE KUTAK ROCK

Upon motion duly made by Director Perry, and seconded by Director Den Herder, it was unanimously

RESOLVED to engage Kutak Rock on matters related to the Districts' 2011 loan financing.

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CAPITAL PROJECTS

Hahns Peak Extension: Director Hardy distributed and reviewed documents related to the Hahns Peak Extension. Director Hardy noted that there are discussions with a taxable user which would require the District to participate in the extension of the public road and the hospital paying for private improvement expenses. Director Hardy reviewed the different options for building plans and noted that the increase in Assessed Value would cover the costs of the project. Following review and discussion and upon motion duly made by Director Hall, and seconded by Director Den Herder, it was unanimously

RESOLVED to appoint Director Hardy and Mr. Pogue to finalize the necessary agreements for the Hahns Peak Extension project with a total cost not to exceed \$1.4 million, without prior Board approval.

Preconstruction Expenditures: Upon motion duly made by Director Den Herder, and seconded by Director Hardy, it was unanimously

RESOLVED to authorize preconstruction expenditures for the Hahns Peak Extension project in an amount not to exceed \$120,000.

Parcel 505 Improvements Updates

First Amendment to Infrastructure Agreement: The First Amendment to Infrastructure Agreement between Centerra Metropolitan District No. 1 and Bass Pro Outdoor Work, LLC-CBPP, LLC was presented for District No. 1 Board's consideration. Upon motion duly made by Director Hardy, and seconded by Director Den Herder, it was unanimously

RESOLVED to ratify the First Amendment to Infrastructure Agreement between Centerra Metropolitan District No. 1 and Bass Pro Outdoor Work, LLC-CBPP, LLC as presented.

Connell Resources: Mr. Woolard presented the Contract with Connell Resources, Inc. for District No. 1 Board's approval and authorization. Following review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the execution of the Contract with Connell Resources, Inc. in the amount of \$4,384,460 and issue the notice to proceed in the amount of \$1,429,872 to match the reimbursement amount identified in the First Amendment to the Infrastructure Agreement with a started date of November 3, 2014.

Lift Station Design Addendum: Mr. Woolard presented a Design Addendum with Merrick for District No. 1 Board's consideration. Following review and discussion, and upon motion duly made by Director Den Herder, and seconded by Director Hardy, it was unanimously

RESOLVED to approve the Design Addendum between Centerra Metropolitan District No. 1 and Merrick in an amount to exceed \$116,000.

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Professional Service Agreement for Geotechnical Testing Services: Mr. Woolard presented a Professional Services Agreement for Geotechnical Testing Services with Earth Engineering Consultants, LLC. Following review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Professional Services Agreement for Geotechnical Testing Services between Centerra Metropolitan District No. 1 and Earth Engineering Consultants, LLC in an amount not to exceed \$63,061.

Presentation of Parcel 222 Bid Results

Mr. Woolard presented the bid results for Parcel 222 noting that five bids were received and the lowest qualified bidders were Gerrard and Connell. The District No. 1 Board authorized Director Hardy to work with Mr. Niemczyk and Mr. Woolard on negotiating the construction contract and to review consultant proposals for the Board's consideration at the next board meeting.

Boyd Lake

Lamp Rynearson Addendum No. 3: Mr. Woolard presented Addendum No. 3 for Civil Design Services with Lamp Rynearson for the Board's consideration. Following review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Civil Design Services between Centerra Metropolitan District No. 1 and Lamp Rynearson in an amount not to exceed \$4,000.

Parcel 206

Professional Services Agreement for Civil Engineering: Mr. Woolard presented the Professional Services Agreement for Civil Engineering Services with Interwest Consulting Group, Inc. for the Board's consideration. Following review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Professional Services Agreement between Centerra Metropolitan District No. 1 and Interwest Consulting Group, Inc. in an amount not to exceed \$66,700.

Professional Services Agreement for Traffic Study: Mr. Woolard presented the Professional Services Agreement for Traffic Study with Permontes Group, Inc. for the Board's consideration. Following review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Professional Services Agreement between Centerra Metropolitan District No. 1 and Permontes Group, Inc. in an amount not to exceed \$8,745.

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OTHER MATTERS

No other matters were brought before the Boards.

PUBLIC COMMENTS

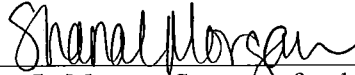
There were no members of the public present.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 2:00 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