

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED CONTINUED
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 1, 2015

The Board 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 continued regular meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 1:00 p.m., Thursday, October 1, 2015. 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
Denise Gammon, Vice President (via teleconference)
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.
Brendan Campbell, Peggy Dowswell, Jason Woolard, Jim Worley, and Carla Hawkins; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney

CALL MEETING TO
ORDER

The meeting was called to order at 1:03 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.

CONFLICT OF
INTEREST

Alan 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

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DISCLOSURE

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

RESOLVED to approve the agenda, as amended.

PUBLIC COMMENT

There were no comments made by members of the public.

CAPITAL PROJECTS Parcel 222 - Bid Package 2 Improvements

Review Public Bid Results: Mr. Woolard reviewed the as-bid comparison, bid tracker and project budget summary with the Boards. Mr. Niemczyk noted the public improvements in this bid pack include the north section of sanitary sewer improvements, along with sidewalk and driveway paving improvements, to serve the industrial building.

Director Gammon joined the meeting at 1:06 p.m.

Construction Contract – Connell Resources: Mr. Woolard presented the Construction Contract with Connell Resources for Parcel 222 Bid Package 2 improvements, noting that they were identified as the lowest, most responsive, qualified bidder. Upon motion duly made by Director Den Herder, and seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract and Notice of Award with Connell Resources, in an amount not to exceed \$567,250.85. The Notice to Proceed will be issued once the building permit is granted by the City of Loveland.

Professional Services Agreement – Pinnacle Consulting: Mr. Woolard presented the Professional Services Agreement with Pinnacle Consulting Group for project administration services. Upon motion duly made by Director Den Herder, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Professional Services Agreement with Pinnacle Consulting Group, in an amount not to exceed \$24,970.

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Professional Services Agreement – Earth Engineering: Mr. Woolard presented the Professional Services Agreement with Earth Engineering for geotechnical testing services. Upon motion duly made by Director Den Herder, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Professional Services Agreement with Earth Engineering, in an amount not to exceed \$9,835.

Professional Services Agreement – CWC Consulting: Mr. Woolard presented the Professional Services Agreement with CWC Consulting for construction administration services. Upon motion duly made by Director Den Herder, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Professional Services Agreement with CWC Consulting, in an amount not to exceed \$13,500.

Easement Agreement: Mr. Pogue presented the Easement Agreement with Centerra Properties West, LLC for Savanna Bid Pack 2 Public Improvements. Upon motion duly made by Director Kane, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Easement Agreement with Centerra Properties West, LLC for Savanna Bid Pack 2 Public Improvements.

Infrastructure Construction Agreement: Mr. Pogue presented the Infrastructure Construction Agreement with CIndustrial One, LLC for Savanna Bid Pack 2 Public Improvements. The Board discussed the cost and timelines to construct public improvements, and potential risks for advancing funds for construction. The consensus of the Board was that each project will be evaluated individually and the Board will use best practice measurements to determine risk/reward for each project. Upon motion duly made by Director Den Herder, and seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Infrastructure Construction Agreement with CIndustrial One, LLC for Savanna Bid Pack 2 Public Improvements, contingent on the agreement being revised to 1) eliminate the cap, 2) insert a change order process, 3) include bid pack 2 costs, and 4) require an additional guarantee provision.

2015 BUDGET AMENDMENT

Director Perry opened the 2015 Amended Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on September 24, 2015 in accordance with state budget law. Mr. Campbell reviewed the projected budget for District No. 1, as noted on the Capital Summary, and answered questions.

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District No. 1, Service District:
Capital Fund Expenditures: \$6,974,976

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

RESOLVED to approve the Resolution to Adopt the Amended 2015 Capital Budget for District No. 1 and appropriate budgeted funds.

ITEMS FROM DISTRICT
MANAGER

Centerra Parkway Landscape/Irrigation System Repairs: Mr. Woolard reported that he anticipates a proposal from EDI within a week for the Centerra Parkway landscape/irrigation system repairs. After discussion, the Board authorized President Perry to move forward with approving the work, subject to the cost being within the District's 2015 Operations and Maintenance budget.

ITEMS FROM LEGAL
COUNSEL

Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice from general counsel on specific questions related to the Parcel 505 reimbursement obligation.

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 § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from general counsel on specific questions related to the Parcel 505 reimbursement obligation. Upon motion duly made by Director Den Herder, seconded by Director Hall, and upon vote, 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, related to the Parcel 505 reimbursement.

It is the 1st day of October, 2015 and the time is 1:56 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 Hall, Kane, Den Herder, and Gammon; Alan Pogue, Jim Worley, and Peggy Dowswell.

This is an Executive Session for the following purpose: for receiving legal advice from legal counsel on specific legal questions related to the Parcel 505 reimbursement owe to Centerra Metropolitan District No. 1.

The Executive Session was adjourned at 2:14 p.m. by a motion from Director Den Herder, second by Director Kane, and with a unanimous vote. The participants in

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the Executive Session at adjournment were Directors Perry, Hall, Kane, Den Herder, and Gammon; Alan Pogue, Jim Worley, and Peggy Dowswell.

No decisions or actions were taken in the Executive Session.

Mr. Pogue stated 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.

OTHER MATTERS

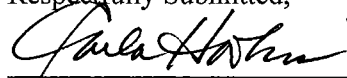
No other matters were brought before the Boards.

ADJOURNMENT

Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, the meeting was adjourned at 2:15 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