

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
April 17, 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 12:30 p.m., Thursday, April 17, 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 (until 1:40 p.m.)
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle Seaver Pogue, P.C.
Jim Worley, Pinnacle Consulting Group, Inc.
Jason Woolard Pinnacle Consulting Group, Inc. (arrived at 12:35 p.m.)
Carla Hawkins, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Brent Worthington, City of Loveland
Will Welch, William Welch Company

CALL TO ORDER

The meeting was called to order at 12:32 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 Hardy and seconded by Director Hall it was unanimously

RESOLVED to approve the agenda as amended.

APPROVAL OF MINUTES

The minutes of the March 20, 2014 regular meeting were presented. Upon motion duly made by Director Hall and seconded by Director Hardy, it was unanimously

RESOLVED to approve the March 20, 2014 minutes as presented.

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

ITEMS FROM PROJECT MANAGER

Parcel 505 Improvement Updates

A status report was sent to the Board along with the Board packet. Mr. Welch updated the Board on Parcel 505 public infrastructure improvements noting City staff was bidding the traffic signal installation at Skypond and Bass Pro Drive. Mr. Pogue suggested the Board consider approving an Intergovernmental Agreement between Centerra Metropolitan District No. 1 and the City of Loveland for the installation of a traffic signal on Skypond Drive at the future intersection of Bass Pro Shop Drive. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Intergovernmental Agreement between Centerra Metropolitan District No. 1 and the City of Loveland in an amount not to exceed \$450,000 and subject to review and final approval of the City's comments by legal counsel, Mr. Pogue.

The Board discussed other site improvements including extending the conduits along Centerra Parkway and a ranger tower Bass Pro would like to install on their property. Mr. Pogue also noted there were ongoing negotiations for the public parking lot fixtures including lighting for safety. Any improvements must comply with maintenance and Centerra Design Review standards.

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Mr. Pogue noted Centerra Properties West, Centerra Metropolitan District No. 1 and the Bass Pro Shop entity will need to enter into a Maintenance and Easement Agreement. A request has been made that the District install and maintain lighting fixtures chosen by Bass Pro for branding purposes. Upon motion duly made by Director Hardy and seconded by Director Kane it was unanimously

RESOLVED to deny Bass Pros request for their fixtures unless they agree to pay to install and maintain the lighting fixtures.

The Board discussed the timing of the project noting site work may begin as early as mid-June with the total public improvements cost projected to be in the \$7 million range. Director Hardy noted Mr. Welch is providing valuable construction management services and thanked him for his efforts.

Boyd Lake Improvements

Mr. Woolard updated the Board on the Boyd Lake Avenue street improvements noting Gerrard is relocating the Little Thompson water line to the west side of the road. Coulson plans to begin work by the end of April pending construction plan approvals by the City of Loveland. Pre-construction contractors for the project include Lamp Rynearson & Associates, DTJ Design, Pinnacle Consulting Group, King Surveying and Earth Engineering.

ITEMS FROM THE FINANCE DIRECTOR

Financial Report and Approval of Payables

Mr. Campbell presented for approval the April Schedule of Payables through March 31, 2014 in the amount of \$193,793.85 including checks 5403 through 5426. Upon motion duly made by Director Hall and seconded by Director Hardy, it was unanimously

RESOLVED to approve the April 2014 Schedule of Payables, in the amounts and the check numbers noted above with the deduction of the Valley Crest payment pending the delivery of irrigation sentinel control radios and the Brickman payment subject to them providing a \$2,000 credit for snow removal invoices.

Mr. Campbell presented the February 28, 2014 financial statements, the current cash position report and the Capital Fund Summary as of February 28, 2014, reflecting additional Boyd Lake construction activity.

Additional Borrowing

Director Kane and Ms. Dowswell noted they are working with US Bank and Compass bank on borrowing additional money for construction of public infrastructure and extending the current loan seven (7) years until 2023. Mr. Pogue advised that the District must appoint a qualified independent representative to engage in discussions with current or potential SWAP providers, based on Dodd Frank regulations. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to designate Tom LaFleur, Piper Jaffray & Co., as the qualified independent representative and direct Director Kane and Ms. Dowswell to negotiate with the Banks on refinancing options.

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ITEMS FROM THE DISTRICT MANAGER

Approval of Delich & Associates.

Matt Delich has submitted for the Board's consideration and approval an Addendum for a traffic study required for Parcel 505 site in the amount of \$10,555. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

RESOLVED to approve the Delich Addendum in the amount of \$10,555.

Approval of HPEC 2014 Service Addendum

Mr. Worley submitted for the Board's consideration and approval a HPEC Addendum for the 2014 Chapungu Park and the retention area maintenance services. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the HPEC Addendum for 2014 Services in an amount not to exceed \$74,167 for Chapungu Park and \$27,279 for retention pond maintenance.

Approval of Sign Maintenance Work Order with DaVinci

Mr. Worley submitted for the Board's consideration and approval a work order to repair the freestanding monument signs throughout the District. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve for the DaVinci sign repair Addendum for \$27,220.

Operations and Maintenance Report

Mr. Worley gave a brief update noting the April landscaping inspection is scheduled for April 22nd and 23rd.

ITEMS FROM DISTRICT LEGAL COUNSEL

URA Expansion Update

Mr. Pogue advised the Boards that the City Council approved the minor modification to the Urban Renewal Plan to add the Boyd Lake Avenue right-of-way, the north half of the Crossroads-I-25 Interchange, and the High Plains school site to the plan area, all as contemplated by the MFA.

Update on City Council MFA Study Session

Mr. Pogue noted Mr. Duval gave a thorough description of the MFA and did a great job explaining the history. Manager Worley agreed to send the Boards the presentation given at the study session.

Legislative Update

Mr. Pogue gave a brief legislative update noting potential legislation for tax increment financing.

BOARD MEMBER COMMENTS

There were none at this time.

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OTHER MATTERS

There were no other matters brought before the Board.

PUBLIC COMMENTS

The Board opened the meeting to public comments. 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 1:51 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