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# RECORD OF PROCEEDINGS

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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 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 12:00 p.m., Thursday, July 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 (via phone 12:46 p.m. – 1:20 p.m.)

Tom Hall, Secretary

Julie Den Herder, Assistant Secretary & Assistant Treasurer

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Wendy Messinger, McWhinney (until 12:56 p.m.)

Jim Niemczyk, McWhinney

Cole Evans, McWhinney (at 1:26 p.m.)

Alan Pogue, Icenogle Seaver Pogue, P.C.

Brendan Campbell, Peggy Dowswell, Jim Worley, Carla Hawkins, Chad Walker,  
& Jason Woolard, Pinnacle Consulting Group, Inc.

Will Welch, WTWC, LLC, (until 1:20 p.m.)

John Tufte, Lamp, Ryneerson & Associates, Inc. (until 1:48 p.m.)

Don Foster, Promenade Shops at Centerra (until 1:26 p.m.)

John Cutler, Cutler & Associates, LLC (until 12:30 p.m.)

Alex Estevez, Pinnacle Consulting Group, Inc. (until 1:20 p.m.)

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The meeting was called to order at 12:02 p.m. by Director Perry, President, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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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 CBPP, LLC and 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 Hall and seconded by Director Kane it was unanimously

**RESOLVED** to approve the agenda as presented.

### APPROVAL OF MINUTES

The minutes of the April 17, 2014, May 8, 2014, and June 23, 2014 special meetings were presented. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to approve the April 17, 2014, May 8, 2014, and June 23, 2014 minutes as presented.

### FINANCIAL MATTERS

#### 2013 Audit for District No. 1 and PIF Revenue Account

Mr. Campbell presented the 2013 Audit for District No. 1 and the PIF Revenue Account to the Board for review and approval. John Cutler of John Cutler & Associates noted his firm issued an unmodified clean opinion. He complimented Pinnacle Consulting Group, Inc. on their professionalism and cooperation during the audit period. He noted that Pinnacle has good accounting policies and procedures in place to eliminate the potential for fraud. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2013 Audit for District No. 1 and PIF Revenue Account and direct Pinnacle Consulting Group, Inc. to file with the State of Colorado as per statute upon final review by Director Den Herder.

#### Financial Report and Approval of Payables

Mr. Campbell presented for ratification approval of the June Schedule of Payables through June 30, 2014 in the amount of \$788,241.37; including checks 5427 through 5502 and approval of the July Schedule of Payables through July 16, 2014 in the amount of \$168,677.40; including checks 5503 through 5527. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to ratify the June Schedule of Payables and approve the July

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payables, in the amounts and the check numbers noted above.

## Review of Capital Funding Summary

Mr. Campbell presented the Capital Fund Summary as of May 31, 2014, summarizing all capital projects budget and expense totals.

## Additional Borrowing and Approval of Term Sheet with Bank Group

Director Kane gave an update on additional borrowing noting the finance team is still waiting on the Banks' revised term sheet. Upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to give approval for Director Kane, Ms. Dowswell and Mr. Pogue to continue negotiations with the bank with the following parameters: 1) to cap the legal fees and interest rate, 2) to request a 7 year vs. 10 year term, 3) to resolve any outstanding issues between the bank group and RBC related to any interest rate exchange agreements that currently exist or may be entered into in the future, in connection with the financing.

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## PROPOSED AMENDED 2014 BUDGET HEARING

Director Perry opened the 2014 Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on July 10, 2014 in accordance with state budget law. Mr. Campbell reviewed the projected budget in detail and answered questions.

District No. 1, Service District:  
Debt Service Fund Expenditures: \$10,196,390  
Capital Fund Expenditures: \$15,609,549

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, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the Amended 2014 Budget for District No. 1 and appropriate budgeted funds.

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## CONSIDERATION AND APPROVAL OF ADVANCE AND REIMBURSEMENT AGREEMENT

Advance and Reimbursement Agreement Between District No. 1 and Centerra Properties West, LLC, and Authorization of the Issuance of a Subordinate Promissory Note  
This item was tabled.

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## ITEMS FROM PROJECT MANAGEMENT REPORTS

### **Parcel 505 Improvements Updates**

#### General Contractor Construction Bids and Contract

Mr. Walker submitted and summarized for Parcel 505 public improvements construction contractors bid comparison worksheet. After questions and further discussion and upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to authorize notice of award of the Construction Contract

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with Connell Resources contingent on District No. 1 Board approving funding and appropriating the funds; the determining final scope and schedule, and directing the construction contractor do negotiate an extension on the 90 day price lock.

### Engineering Services Addendum

Mr. Woolard asked the Board to consider approval of an addendum for Engineering Services between Centerra Metropolitan District No. 1 and Merrick. After discussion and upon motion duly made by Director Hall and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the Engineering Services Addendum between Centerra Metropolitan District No. 1 and Merrick in the amount of \$56,810.

### Professional Services Agreement for Surveying Services

Mr. Walker submitted and summarized the bid comparison worksheet for surveying services. After further discussion and upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

**RESOLVED** to reject the surveying bids and direct Project Manager, Mr. Welch, and Pinnacle Consulting Group to work with Connell Resources to negotiate a surveying service contract in the amount not to exceed \$80,000.

### Professional Services Agreement for Dry Utility Coordination Services

Mr. Woolard requested the Board consider approval of a professional services agreement for dry utility coordination for Parcel 505. After discussion and upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to approve Dry Utility Coordination Professional Services Agreement between Centerra Metropolitan District No. 1 and Uticor.

### Boyd Lake Avenue Improvements

Mr. Niemczyk gave an update on the construction of Boyd Lake Avenue noting the scheduled completion is slated for late September. He noted the construction team had expedited approvals through the City of Loveland process in an effort to complete the road to meet commitments for The Lakes at Centerra development construction timelines.

### Addendum for Engineering Services

Mr. Niemczyk summarized the costs associated with the engineering services provided to date and asked the Board to consider the approval of an engineering addendum between Centerra Metropolitan District No. 1, The Lakes at Centerra Metropolitan District No. 1 and Lamp Rynearson & Associates. After discussion and upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the Addendum No. 1 in the amount up to \$276,000 and Addendum No. 2 in the amount of \$40,000 for Engineering Services between Centerra Metropolitan District No. 1, the Lakes at Centerra Metropolitan District No. 1 and Lamp Rynearson & Associates with the condition the construction manager will negotiate a reduction in cost for Addendum No.1.

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At this time, the Board took a 10 minute break from 1:20 to 1:30 p.m.

### Motorplex Public Landscaping Improvements Contract

Mr. Evans noted landscaping was needed around the newly installed display pad within the Motorplex and proposals had been solicited. He requested the Board consider approval of a construction agreement with Brickman. After discussion and upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to approve the Public Landscaping Infrastructure Construction Contract between Centerra Metropolitan District No. 1 and Brickman Group Ltd. LLC in the amount of \$40,500.

### Parcel 504 Park Schematic

Director Perry noted ECI was procured to provide schematic design pricing services for the public park planned for Parcel 504. The Board was asked to consider ratifying the service agreement. Upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to ratify the Professional Services Agreement with ECI for Parcel 504 Park Schematic Design Price Estimating Services for \$4,800.

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### ITEMS FROM DISTRICT MANAGER

### Holiday Lighting Addendum

Mr. Worley presented an addendum for the 2014 holiday lighting scope of work noting it is slightly higher than the budget due to additional scope to install lights within the Motorplex area. After discussion and upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the Work Order Addendum for Holiday Lighting between Centerra Metropolitan District No. 1 and Alpine Artisan Studio in the amount of \$22,808.

### Work Order Addendums for Landscape Enhancements

Mr. Worley presented the summary worksheet showing the enhancement services work order with Brickman noting the costs are all within budget. After discussion and upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to ratify the Work Order Addendums for landscape enhancements between Centerra Metropolitan District No. 1 and Brickman.

### Work Order Addendum for Landscape Enhancements at Chapungu Park

Mr. Worley presented the Chapungu Park enhancement services work order with High Plains Environmental Center noting the costs are all within budget. After discussion and upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to ratify the Work Order Addendum for Landscape Enhancements at Chapungu Park with High Plains Environmental Center.

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### Storm Water Management Services

Mr. Worley noted a proposal for storm water management and maintenance services had been received by Grow Green Landscape and Maintenance. After discussion and upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to approve the Operation and Maintenance Service Agreement for Storm Water Management Services with Grow Green Landscape & Maintenance on a time, equipment and material fee basis.

### Operations and Maintenance Report

Manager Worley stated the District's landscape manager, Adam Bappe, has left Brickman to pursue a different career and with that they have designated Dan Ciolek as the new Centerra manager with Jay Jamison remaining as the branch manager overseeing the Centerra account.

Manager Worley noted that recently the defective light pole at the roundabout north of Range view buildings was hit by a vehicle. The City of Loveland will replace the pole and has contacted the manufacturer to resolve paint defect conditions on future pole replacements.

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### PUBLIC HEARING FOR INCLUSION

Mr. Pogue reported that the Board has received a petition for inclusion from Centerra Metropolitan District No. 1 boundaries for real property generally described as a parcel of land being a portion of East 37th Street and a portion of Outlot B of the Amended Plat of Lot 2 and Outlot B, Millennium Northwest Third Subdivision, ("The Lakes Multi-Family Site"); a parcel of land being a portion of Tract G of the Millennium Northwest Fourth Subdivision; and Lots 1 – 4, Range View 3<sup>rd</sup> Subdivision, ("The Lake Vista Site"), all in the City of Loveland, Colorado into. President Perry opened the public hearing to the public. Mr. Pogue confirmed that notice of the hearing had been published in the Reporter Herald in accordance with state law. Upon receiving no comments, the public hearing was closed. Upon review of the inclusion petition, and upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to approve a Resolution concerning the inclusion of the Lakes Multi-Family Site and the Lake Vista Site into the boundaries of District No. 1, subject to the approval of the Loveland City Council of a material modification to the Service Plan permitting the boundary adjustment. The Board further directed Mr. Pogue to complete the inclusions as described in the approving resolution.

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### LEGAL ITEMS

#### Infrastructure Construction Agreement

Mr. Pogue asked the Board to consider ratification of the Infrastructure Construction Agreement for Parcel 505 Improvements between Centerra Metropolitan District No. 1, Bass Pro Outdoor World, LLC, and CBPP, LLC After discussion and upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

**RESOLVED** to ratify the Infrastructure Construction Agreement for

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Parcel 505 Improvements among Centerra Metropolitan District No. 1, Bass Pro Outdoor World, LLC, and CBPP, LLC.

### Plat Parcel 505

Mr. Pogue asked the Board to consider ratification of Parcel 505 plat. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to ratify the plat approval for Parcel 505.

### Parcel 505 Special Warranty Deed

Mr. Pogue asked the Board to consider ratification of and acceptance of Special Warranty Deed, dated June 9, 2014, conveying certain real property from Centerra Properties West, LLC to Centerra Metropolitan District No. 1. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to ratify the acceptance of Special Warranty Deed, dated June 9, 2014, conveying certain real property from Centerra Properties West, LLC to Centerra Metropolitan District No. 1.

### Parcel 505 Quit Claim Deeds

Mr. Pogue asked the Board to consider ratification of and acceptance of Quit Claim Deeds all dated June 25, 2014, conveying Outlots J and K, Millennium East Sixth Subdivision from CBP 505, LLC, and McWhinney Centerra CY, LLC to Centerra Metropolitan District No. 1; conveying Lot 2, 3, 5, 6, 7 and 8, Millennium East Sixth Subdivision from CBPP, LLC, McWhinney Centerra CY, LLC, and Centerra Metropolitan District No. 1, to CBP 505, LLC; Lot 1, Millennium East Sixth Subdivision from CBP 505, LLC, McWhinney Centerra CY, LLC, and Centerra Metropolitan District No. 1, to CBPP, LLC; Lot 4, Millennium East Sixth Subdivision from CBPP, LLC and Centerra Metropolitan District No. 1, to McWhinney Centerra CY, LLC; Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to ratify the acceptance of four Quit Claim Deed, dated June 25, 2014, conveying the following:

Outlots J and K, Millennium East Sixth Subdivision from CBP 505, LLC, and McWhinney Centerra CY, LLC to Centerra Metropolitan District No. 1

Lot 2, 3, 5, 6, 7 and 8, Millennium East Sixth Subdivision from CBPP, LLC, McWhinney Centerra CY, LLC, and Centerra Metropolitan District No. 1, to CBP 505, LLC

Lot 1, Millennium East Sixth Subdivision from CBP 505, LLC, McWhinney Centerra CY, LLC, and Centerra Metropolitan District No. 1, to CBPP, LLC.

Lot 4, Millennium East Sixth Subdivision from CBPP, LLC and Centerra Metropolitan District No. 1, to McWhinney Centerra CY, LLC.

### Amended and Restated Policy Resolution

Mr. Pogue asked the Board to consider approval of the Amended and Restated Policy Resolution regarding the inspection, retention and disposal of public records.

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Upon motion duly made by Director Hall and seconded by Director Kane, it was unanimously

**RESOLVED** to Approve Amended and Restated Policy Resolution Regarding the Inspection, Retention and Disposal of Public Records.

Summary of 2014 Legislation.

Mr. Pogue presented the 2014 Summary Memorandum.

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OTHER MATTERS

There were no other matters brought before the Board.

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PUBLIC COMMENTS

The Board opened the meeting to public comments. Upon receiving no comments, this portion of the meeting was closed.

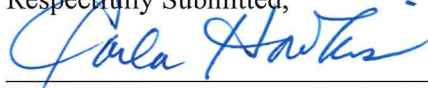
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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:27 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