

RECORD OF PROCEEDINGS

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
May 19, 2016

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 regular meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Thursday, May 19, 2016. 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 (via phone)
Tom Hall, Secretary
Josh Kane, Treasurer & Assistant Secretary (via phone)
Julie Den Herder, Assistant Secretary & Assistant Treasurer

Directors Absent and Excused:

Ben Kendall, Vice President

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Jim Niemczyk; McWhinney
Peggy Dowswell, Brendan Campbell, Jason Woolard, Jim Worley, Shana Morgan
and Darcy Chilton; Pinnacle Consulting Group, Inc.

CALL MEETING TO
ORDER

The meeting was called to order at 12:04 p.m. by Manager Worley, 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.

MAY 2016 ELECTION UPDATE

Mr. Pogue reported that Directors Hall and Kendall had been elected by acclamation on May 3, 2016.

AGENDA

The Boards reviewed the agenda. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

APPROVAL OF MINUTES

The minutes of the April 12, 2016 special meeting and April 14, 2016 continued special meeting were presented. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the April 12, 2016 special meeting and April 14, 2016 continued special meeting, as presented.

The minutes of the April 21, 2016 regular meeting were presented. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the April 21, 2016 minutes, as amended.

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

PUBLIC COMMENT

There were no comments made by members of the public.

PARCEL 222 BID PACKAGE 2 AND PACKAGE 3 IMPROVEMENTS

Mr. Niemczyk reported that overlay paving began today and striping will be completed next week.

Mr. Niemczyk reported that the plans for the Main Street project are currently under review by the City of Loveland and that the projected start date is late August 2016.

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PARCEL 206 SEWER MAIN IMPROVEMENTS

Mr. Niemczyk reported that the improvements were initially accepted by the City on April 18, 2016 and are now under the 2-year warranty period.

PARCEL 206 GRADING/ INFRASTRUCTURE IMPROVEMENTS

Mr. Niemczyk reported that Phase 1A will include the Rangeview 5 Building.

Review Bid Results for Public Infrastructure: Mr. Woolard summarized the bid results noting that bids were received from Premier Earthwork, DCP Civil and Hudick. Mr. Woolard stated that Premier Earthwork and Infrastructure had been identified as the lowest, most responsive and qualified bidder.

Construction Contract with Premier Earthwork and Infrastructure: Mr. Woolard presented the Construction Contract with Premier Earthwork and Infrastructure for Parcel 206 grading and temporary parking. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract with Premier Earthworks and Infrastructure for Parcel 206 grading and temporary parking, in the amount of \$1,635,511.

Amendment to Professional Service Agreement with King Surveyors: Mr. Woolard presented an Amendment to the Professional Service Agreement with King Surveyors, for Parcel 206 grading and temporary parking project surveying/staking services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Professional Service Agreement with King Surveyors, in an amount not to exceed \$21,282.

Amendment to Professional Service Agreement with Kumar & Associates: Mr. Woolard presented an Amendment to the Professional Service Agreement with Kumar & Associates, for Parcel 206 grading and temporary parking project QA testing services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Professional Service Agreement with Kumar & Associates, in an amount not to exceed \$14,437.

Addendum with Pinnacle Consulting Group, Inc.: Mr. Woolard presented an Addendum with Pinnacle Consulting Group, Inc. for Parcel 206 grading and temporary parking project administration services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

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RESOLVED to approve the Addendum with Pinnacle Consulting Group, Inc., in an amount not to exceed \$47,160.

PARCEL 206 PARKING

Mr. Niemczyk presented an Amendment to the RNL Design Agreement, for Parcel 206 surface parking design services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Agreement with RNL Design for Parcel 206 surface parking design services, in an amount not to exceed \$86,770, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA.

Mr. Niemczyk presented an Amendment to the Interwest Consulting Agreement for Parcel 206 surface parking engineering services. Upon motion duly made by Director Kane, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Amendment to the Agreement with Interwest Consulting, in an amount not to exceed \$95,000, subject to Loveland City Council approval of the Minor Modification to the Seventh Amendment of the MFA.

Director Hall joined the meeting at 12:43 p.m.

Mr. Pogue presented a Termination and Release Agreement with RNL Design. Mr. Pogue stated that RNL was engaged for design work and were notified to stop work on March 31, 2016, due to a change in scope of work. RNL had incurred costs and performed services in the amount of \$144,000. Upon payment, RNL will tender all work products with no further obligation to the District. Mr. Woolard noted that Interwest ceased work on the project as well. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the Termination and Release Agreement with RNL Design.

Mr. Niemczyk reported that the Site Plan Review submittal is scheduled for July 15th and the City of Loveland could take up to eight weeks to approve. The goal would be to start the project September 1 and weather permitting, work for 2 months. Mr. Woolard noted that key pieces could be completed on the project before the asphalt plants close for the season.

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CAPITAL FUND SUMMARY

Mr. Campbell reviewed the capital fund summary with the Boards.

FINANCIAL ITEMS

Ratification of Payables: Mr. Campbell presented for approval the Payables Listing from March 29, 2016 through April 25, 2016, in the amount of \$666,085.14; including checks 6185 through 6209 and online and EFT payments. Upon motion duly made by Director Hall, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the March 29, 2016 through April 25, 2016 Schedule of Payables, in the amounts and for the payments noted above.

Financial Report: Mr. Campbell presented unaudited Financial Statements through April 30, 2016. Upon motion duly made by Director Den Herder, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to accept the financial report as presented.

2016 Budget Amendment: Manager Worley opened the 2016 Amended Budget Hearing to the public at 12:57 p.m. Mr. Worley reported that notice of the hearing had been published on May 13, 2016 in accordance with state budget law. Mr. Campbell reviewed the projected District No. 1 Capital Fund, and answered questions. The 2016 budget is to be amended as follows:

District No. 1, Service District:
Capital Fund Expenditures: \$144,847,535

There being no public input, the public portion of the budget hearing was closed at 1:00 p.m. After further review and discussion, and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Adopt the Amended 2016 Capital Fund Budget for District No. 1 and appropriate budgeted funds.

Update on 2016 Financing and Term Sheet: Director Kane updated the Boards on the status of the term sheet, noting that negotiations are continuing.

ITEMS FROM DISTRICT MANAGER

Operations and Maintenance Report: Manager Worley stated the monthly inspections were conducted and EDI had received mildly passing scores on the Metro District, Chapungu Park, and open space areas. Director Perry and members of the operations team will meet with EDI to discuss further improvements to services.

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ITEMS FROM LEGAL
COUNSEL

CP 206 LLC and District No. 1 Easement Agreement: Mr. Pogue stated that he received the Easement Agreement from CP 206, LLC, for construction and operations and maintenance of public surface parking on Parcel 206. Mr. Pogue noted that modifications were needed. Upon motion duly made by Director Hall, seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to approve the Easement Agreement between District No. 1 and CP 206, LLC for the construction and operations and maintenance of public surface parking on Parcel 206, subject to final review by legal counsel.

OTHER MATTERS

No other matters were brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:42 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