

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
June 16, 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 special meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Tuesday, June 16, 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
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, Jason Woolard, Jim Worley, & Carla Hawkins; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney (departed at 1:39 p.m.)
Ben Boucher; McWhinney
Will Welch; Wm. T. Welch, Co. (departed at 12:30 p.m.)
JR Gregory & Brian Peck; Environmental Designs (from 12:46 p.m. to 1:00 p.m.)

CALL MEETING TO
ORDER

The meeting was called to order at 12:05 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

Alan Pogue, legal counsel, noted that notices of potential conflicts of interest for all

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INTEREST DISCLOSURE

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 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.

APPROVAL OF MINUTES

The minutes of the May 21, 2015 regular meeting were presented. Upon motion duly made by Director Kane, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the May 21, 2015 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

Mr. Woolard mentioned representatives from EDI were on site for the monthly inspections and that they may come to the meeting to introduce themselves.

There were no comments made by members of the public.

CAPITAL PROJECTS

Parcel 505 Improvements

Bass Pro Site: Mr. Welch noted that there have been no additional updates from Bass Pro Shops. The only ongoing expense authorized on this project is monthly erosion control maintenance required per code in the amount of approximately \$1,300 per occurrence.

Lift Station Improvements: Mr. Pogue reported on the status of the City of Loveland approving the Intergovernmental Agreement for the lift station improvements. He recommended to the Board, they approve District No.1 paying the first \$25,000 and the City paying the next \$25,000 then splitting costs greater than \$50,000 50/50 thereafter. The agreement also identifies the completion date of April 1, 2016. Upon motion duly made by Director Den Herder, and seconded

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

RESOLVED to approve the Intergovernmental Agreement with the City of Loveland for Lift Station Construction Oversight and Management, as noted above.

Motorplex Landscaping
Improvements

Mr. Woolard reported that initial acceptance has been granted for the portion of landscaping and irrigation installed by Metco. Director Perry and Mr. Niemczyk suggested that the District obtain landscape maintenance proposals from Metco Landscape and EDI. Mr. Woolard agreed to obtain landscape maintenance proposals from Metco and EDI then discuss with Mr. Niemczyk and Cole Evans.

Hahn's Peak Extension
Improvements

Mr. Woolard reported that the public improvements bid package is being drafted and the public bid opening is slated for mid-July. Should the project move forward, construction is expected to begin in mid-August and be substantially complete by December 2015. Mr. Hall noted that the user's move-in date is March 2016.

Parcel 222 –
Bid Package 1
Improvements

Mr. Niemczyk reported weather has been hampering progress; however, the project is trending under budget and that the District improvements for the storage facility will be complete in July which will be ahead of the on-site storage facility's anticipated CO date.

Bid Package 2-3
Improvements

Mr. Niemczyk reported that this phase is for the public improvements associated with two industrial buildings just west of the storage facility.

Parcel 206
Improvements

Mr. Niemczyk stated the second submittal plan review is currently underway with the City of Loveland.

Boyd Lake Ave. Water
Meter Vault Relocation

Mr. Niemczyk reported that the project is scheduled for completion July 1, 2015.

ITEMS FROM THE
FINANCE DIRECTOR

Capital Fund Summary and Financial Report: Mr. Campbell presented the Capital Fund Summary as of June 16, 2015.

Ratification of Payables: Mr. Campbell presented for ratification the Payables Listing from May 16, 2015 through June 9, 2015 in the amount of \$625,849.61; including checks 5873 through 6002 and online payments 985049 through 985105 and June 2, 2015 EFT payments. Upon motion duly made by Director Kane, and seconded by Director Hall, and upon vote, unanimously carried, it was

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RESOLVED to ratify the May 16, 2015 through June 9, 2015 Schedule of Payables, in the amounts and for the payments noted above.

Approval of Payables: Mr. Campbell presented for approval the Operations and Maintenance General Fund Payables Listing from May 1, 2015 through June 30, 2015 in the amount of \$83,241.91; including online payments 985107 through 985159 and 061815 E-Pay items 001 through 005. Upon motion duly made by Director Hall, and seconded by Director Den Herder, and upon vote, unanimously carried, it was

RESOLVED to ratify the May 1, 2015 through June 30, 2015 Schedule of Payables, in the amounts and for the payments noted above.

COLLECTION AGREEMENT

Mr. Pogue presented for the District No. 1 Board's consideration and approval 2016 Exhibit J of the First Amendment to the Second Amended and Restated Collection Agreement with the City of Loveland. The exhibit identifies the total cost paid to the City for collecting the RSF, PIF, and Lifestyle RSF is \$102,780 in 2016 with the District No. 1 paying 55% of the cost for a total of \$56,529. After review and discussion and upon motion duly made by Director Kane and seconded by Director Den Herder it was unanimously

RESOLVED to approve the City of Loveland Collection Agreement 2016 Exhibit J as noted above.

ITEMS FROM DISTRICT MANAGER

D.A. Davidson: Director Kane updated the Board on financial modeling efforts and stated D.A. Davidson has submitted a non-binding Engagement Letter for consideration by the Boards. After further review and discussion, and upon motion made by Director Den Herder, and seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the engagement letter with D.A. Davidson, subject to the final revisions to the Engagement Letter acceptable to Director Kane and legal counsel, Mr. Pogue.

Operations and Maintenance Report: Mr. Worley introduced J.R. Gregory and Brian Peck from Environmental Designs, Inc. "EDI" to the Board. Mr. Woolard noted the June Chapungu Park monthly OLM inspection had taken place and both HPEC and EDI passed with a score of 88. Both Mr. Gregory and Mr. Peck addressed the Board stating the crews are becoming more familiar with the site and the irrigation manager, Chason Geister, continues to repair and activate the irrigation system. A meeting will be set with Director Perry to evaluate the Toro Sentinel System and water management upgrades for water efficiency. Mr. Woolard also noted that he has been encouraged with the progress and anticipates receiving recommended enhancements from EDI for the Board's consideration. Mr. Worley reminded the

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Board that the crew had started work in March and they have added crews to catch up on maintenance. The Board thanked EDI for their efforts to-date.

District Management Team Representative Appointment: Mr. Worley requested the Board consider designating a District Management Team representative for Chapungu Park. After further review and discussion Director Hall was designated District No. 1's representative to comply with Centerra Chapungu Park Management Agreement between Centerra Metropolitan District No. 1 and Chapungu Heritage Fund.

ITEMS FROM LEGAL COUNSEL

Lakeview Condemnation: Mr. Pogue reported that a Notice of Appeal has been filed and the record of the trial court proceedings certified to the Court. The project expenses for Boyd Lake Avenue have been submitted to the City of Loveland. He will follow up on the status of the third party reimbursement agreement.

Loveland RV Resort Third Party City of Loveland Reimbursement: Mr. Pogue reported that there is an existing reimbursement agreement in place with the City of Loveland for McWhinney Boulevard and Hahns Peak Drive 2008 improvements. The current owner of the RV Park has requested a discount on the amount owed. The Board discussed other requests for reduction in the reimbursements and noted none had been granted. The Board directed Mr. Pogue to send a response stating that the District's policy is not to grant such requests.

IDR Update: Mr. Pogue reported that the District was submitting a response to the third IDR request today.

OTHER MATTERS

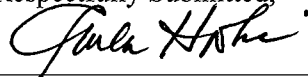
No other matters were brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:45 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