

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
November 15, 2018

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, November 15, 2018. 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
David Spaeth, Vice President
Josh Kane, Treasurer & Assistant Secretary (Via Teleconference)
Courtney Parmelee, Secretary (Via Teleconference)

Directors Absent but Excused:

David Crowder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
P. Jonathan Heroux; Piper Jaffray (Via Teleconference)
Tom Peltz; Kutak Rock (Via Teleconference)
Jeff Breidenbach, Tim DePeder, Troy Kelts, Jim Niemczyk and Robert Taylor; McWhinney
Ryan Abbott, Brendan Campbell, Peggy Dowswell, Susanne Durkin-Schindler, Shannon McEvoy, and Casey Milligan; Pinnacle Consulting Group, Inc.
Jason Woolard; Pinnacle Consulting Group, Inc. (Via Teleconference)

CALL MEETING TO
ORDER

The meeting was called to order at 12:03 p.m. by Director Perry, 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.

CONFLICT OF
INTEREST
DISCLOSURE

Alan Pogue, legal counsel, stated 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 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.

APPROVAL OF
AGENDA

The Boards considered the agenda, as amended, to add items:

I. D. PIC/RSF Board Update on Collection Agreement.

III. D. DTJ Design proposal for Design Documentation and Bidding/Construction Services NTE \$35,075.

III. E. Update on Boyd Lake Avenue South Roundabout project.

IV. G. Consideration and Approval of 2018 Auditor.

V. H. Consideration and Approval of Temporary Construction Easement for Boyd Lake Avenue South with JCD Vet Investments.

V. I. Consideration and Approval of Temporary Construction Easement for Boyd Lake Roundabout with Great Western Bank.

V. J. Consideration of Second Amendment to Second Amended and Restated PIF/RSF Collection Agreement with the City of Loveland.

Upon a motion duly made by Director Spaeth, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

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PIC/RSF Board Update on Collection Agreement: Ms. Durkin-Schindler provided the Boards with an update on the PIC/RSF Agreement with the City of Loveland.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA
ITEMS

The Boards considered the following consent agenda items:

- A. Approval of Minutes—October 19, 2018,
- B. Ratification of Payables,
- C. Capital Fund Summary,
- D. Ratification of Contract Modifications, and
- E. Financial Statements as of September 30, 2018.

Upon a motion duly made by Director Spaeth, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to ratify and approve the items above, as presented.

CAPITAL
INFRASTRUCTURE
ITEMS

District Capital Infrastructure Report: Mr. Milligan presented the Capital Infrastructure Report, giving an update on projects being bid and those currently being constructed.

District Project Manager Update: Mr. Niemczyk provided an update on current projects.

DTJ Design Work Order No. 2018-04 for Parcel 504: Mr. Milligan brought to the Boards for consideration DTJ Design Work Order No. 2018-04 for Landscaping Bid Assistance and Construction Observation Services associated with Parcel 504. Following discussion and upon a motion duly made by Director Parmelee, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve DTJ Design Work Order No. 2018-04 Landscaping Bid Assistance and Construction Observation Services associated with Parcel 504 in an amount of \$8,300.00.

Public Bid Summary – Parcel 504 Public Landscaping Improvements: Mr. Milligan reviewed the public bid summary with the Boards.

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Construction Contract with Energes Services for Parcel 504: Mr. Milligan brought to the Boards for consideration the Construction Contract with Energes Services for public landscape improvements associated with Parcel 504. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract for public landscape improvements associated with Parcel 504 in an amount of \$754,223.00.

DTJ Design Work Order No. 2018-05 for the Chapungu Stage Structure: Mr. Milligan brought to the Boards for consideration DTJ Design Work Order No. 2018-05 for design documentation and bidding/construction services associated with the Chapungu Stage Structure. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve DTJ Design Work Order No. 2018-05 for design documentation and bidding/construction services associated with the Chapungu Stage Structure in an amount of \$35,075.00.

Boyd Lake Avenue South Roundabout: Mr. Niemczyk and Mr. Breidenbach gave an update on cost estimates for the Boyd Lake South Roundabout. Due to geotechnical conditions the scope of the project has increased and will require an increase in budget. Following discussion and upon a motion duly made by Director Spaeth, seconded by Director Perry, and upon vote, unanimously carried, it was

RESOLVED to approve expenditures for the project not to exceed \$5,000,000.00, and to authorize Directors Perry and Crowder to execute contracts not to exceed the approved amount.

2019 PROPOSED BUDGET HEARING

Director Perry opened the 2019 Budget Hearing for Centerra Metropolitan Districts Nos. 1-5. Mr. Abbott reported that notice of the budget hearing had been published on November 8, 2018 in accordance with state budget law. Mr. Campbell reviewed the budgets in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets by District and fund are as follows.

District No. 1, Service District:
Mill levy is 0 mills.
General Fund Expenditures: \$4,036,458
Debt Service Fund Expenditures: \$12,389,851

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Capital Fund Expenditures: \$26,721,070

District No. 2
Financing District Mill levy is 47.6 mills.
General Fund Expenditures: \$ 596,487

District No. 3, Financing District
Mill levy is 5 mills.
General Fund Expenditures: \$360

District No. 4, Financing District
Mill levy is 0 mills.
General Fund Expenditures: \$0

District No. 5, Financing District
Mill levy is 15 mills.
General Fund Expenditures: \$7,705

There being no public input, the public hearing portion of the budget was closed. Upon motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the 2019 budgets for Centerra Metropolitan Districts Nos. 1-5, set the mill levies, appropriate budgeted funds upon final certification of value being received by the County of Larimer on or before December 10, 2018 and approve all other documents related to the 2019 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

FINANCIAL ITEMS

District No. 1 Special Revenue Improvement Bonds: Mr. Pogue brought to the Boards for consideration the Authorizing Resolution Regarding the Issuance of District No. 1's Special Revenue Improvement Bonds, Series 2018. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Authorizing Resolution Regarding the Issuance of District No. 1's Special Revenue Improvement Bonds, Series 2018, and in connection therewith, approving the following and authorizing the execution of same: First Supplemental Indenture of Trust with UMB Bank, n.a., Preliminary Offering Memorandum, Continuing Disclosure Agreement with UMB Bank, n.a., Bond Purchase Agreement with D.A. Davidson and All Other Financing Documents Related to the Issuance of the Series 2018 Bonds.

Districts 2 – 5 Affirming Capital Pledge Obligations to District 1: Mr. Pogue brought to the Boards for consideration the Resolution of Districts 2 – 5

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Affirming Capital Pledge Obligations to District 1 in connection with Special Revenue Improvement Bonds, Series 2018. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution of Districts 2 – 5 Affirming Capital Pledge Obligations to District 1 in connection with Special Revenue Improvement Bonds, Series 2018.

Approval of 2018 Auditor: Mr. Campbell reaffirmed the financial management team's satisfaction with the audit services of John Cutler & Associates and recommended utilizing this firm for the 2018 Audit. Following discussion and upon motion duly made by Director Kane, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to approve John Cutler & Associates for 2018 audit services.

LEGAL ITEMS

2019 Annual Administrative Matters Resolution: Mr. Pogue presented the 2019 Administrative Matters Resolution to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the 2019 Annual Administrative Matters Resolution.

Data Security Resolution: Mr. Pogue presented the Data Security Resolution to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Data Security Resolution.

Access and Landscaping Maintenance Agreement: Mr. Pogue presented the Access and Landscaping Maintenance Agreement with Sky Gold, LLC to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Access and Landscaping Maintenance Agreement with Sky Gold, LLC.

Boyd Lake Avenue/15th Street Roundabout Easements: Mr. Pogue presented the Landscaping Easements with Loveland Housing Authority and Rocky Mountain Village II, LLLP for Boyd Lake Avenue/15th Street Roundabout to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

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RESOLVED to approve the Landscaping Easements with Loveland Housing Authority and Rocky Mountain Village II, LLLP for Boyd Lake Avenue/15th Street Roundabout.

Lift Station Easement and Maintenance Agreement: Mr. Pogue presented the Amendment to the Lift Station Easement and Amendment to the Maintenance Agreement to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Amendment to the Lift Station Easement and Amendment to the Maintenance Agreement.

Lift Station and Tank Bill of Sale: Mr. Pogue presented the Bill of Sale Conveying the Lift Station and Tank to the City of Loveland to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Bill of Sale Conveying the Lift Station and Tank to the City of Loveland.

Development Agreement with Loveland Nazarene Church and City of Loveland: Mr. Pogue presented the Development Agreement with Loveland Nazarene Church and the City of Loveland to the Boards. Upon motion duly made by Director Spaeth, and seconded by Director Kane, it was unanimously

RESOLVED to approve the Development Agreement with Loveland Nazarene Church and the City of Loveland.

Temporary Construction Easement for Boyd Lake Roundabout: Mr. Pogue presented the Temporary Construction Easement with JCD Vet Investments for the Boyd Lake Roundabout to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Temporary Construction Easement with JCD Vet Investments for the Boyd Lake Roundabout.

Temporary Construction Easement for Boyd Lake Roundabout: Mr. Pogue presented the Temporary Construction Easement with Great Western Bank for the Boyd Lake Roundabout to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Temporary Construction Easement with Great Western Bank for the Boyd Lake Roundabout.

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PIF/RSF Collection Agreement: Mr. Pogue presented the Second Amendment to the Second Amended and Restated PIF/RSF Collection Agreement with the City of Loveland to the Boards. Upon motion duly made by Director Kane, and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Second Amendment to the Second Amended and Restated PIF/RSF Collection Agreement with the City of Loveland.

ITEMS FROM
DISTRICT MANAGER

Manager's Report: Mr. Abbott reviewed the written report with the Boards.

Operations and Maintenance Service Agreement with Environmental Designs Inc.: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Environmental Designs, Inc. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Environmental Designs, Inc.

Operations and Maintenance Service Agreement with Integrity Lawn Professions: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Integrity Lawn Professionals Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Integrity Lawn Professionals.

Operations and Maintenance Service Agreement with OLM Inc.: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with OLM, Inc. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with OLM, Inc.

Operations and Maintenance Service Agreement with ET Water: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with ET Water. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

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RESOLVED to approve an Operations and Maintenance Service Agreement with ET Water.

Operations and Maintenance Service Agreement with High Plains Environmental Center: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with High Plains Environmental Center. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with High Plains Environmental Center.

Operations and Maintenance Service Agreement with Affordable Pest Control: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Affordable Pest Control. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Affordable Pest Control.

Operations and Maintenance Service Agreement with McWhinney Real Estate Services, Inc.: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with McWhinney Real Estate Services, Inc. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with McWhinney Real Estate Services, Inc.

Operations and Maintenance Service Agreement with All Sweep: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with All Sweep. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with All Sweep.

Operations and Maintenance Service Agreement with Amans Painting: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Amans Painting. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

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RESOLVED to approve an Operations and Maintenance Service Agreement with Amans Painting.

Operations and Maintenance Service Agreement with DaVinci Signs: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with DaVinci Signs. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with DaVinci Signs.

Operations and Maintenance Service Agreement with Fiske Electric: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Fiske Electric. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Fiske Electric.

Operations and Maintenance Service Agreement with Alpine Artisan Studios.: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Alpine Artisan Studios. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Alpine Artisan Studios.

Operations and Maintenance Service Agreement with Boxelder Tree Farms: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Boxelder Tree Farms. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Boxelder Tree Farms.

Operations and Maintenance Service Agreement with SWPPP Colorado: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with SWPPP Colorado. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

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RESOLVED to approve an Operations and Maintenance Service Agreement with SWPPP Colorado.

Operations and Maintenance Service Agreement with Quality Well and Pump: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with Quality Well and Pump. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with Quality Well and Pump.

Operations and Maintenance Service Agreement with D&M Locating Services: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with D&M Locating Services. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve an Operations and Maintenance Service Agreement with D&M Locating Services.

Operations and Maintenance Service Agreement with D&D Concrete: Mr. Abbott brought to the Boards for consideration the Operations and Maintenance Service Agreement with D&D Concrete. Following discussion and upon a motion duly made by Director Kane, seconded by Director Spaeth, and upon vote, unanimously carried, it was

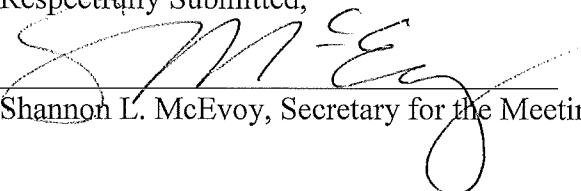
RESOLVED to approve an Operations and Maintenance Service Agreement with D&D Concrete.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:41 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully Submitted,


Shannon L. McEvoy, Secretary for the Meeting