

# 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

HELD  
May 18, 2006

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3 and Centerra Metropolitan District No. 4, held a coordinated regular meeting, open to the public, at the office of McWhinney Enterprises, 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado 80538; at 12:00 noon Thursday, May 18, 2006. 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, Vice President  
Ken Howell, Treasurer  
Dan Herlihey, Secretary  
Phil Hodgkinson, Asst Vice President/Secretary

Directors Absent:

Douglas Hill, President (absence excused)

Also in Attendance:

Alan Pogue, Pogue, Corbetta & O'Leary, General Counsel  
Rich Shannon, McWhinney Enterprises, District Manager  
Peggy Dowswell, District Administrator  
Bret Boulter, McWhinney Enterprises  
Sylvester Mabry, McWhinney Enterprises  
Ginger Dodge, McWhinney Enterprises  
Jeff Barnes, City of Loveland  
Jon Erickson, Empire Construction Management  
Stan Myers, Northern Engineering  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Jason Carroll, Clifton Gunderson  
Tim Cusick, Reynolds Henrie & Associates, P.C  
Trish Muller, Reynolds Henrie & Associates, P.C

CALL TO  
ORDER

The meeting was called to order by Director Perry, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve. Introductions were made.

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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, and 4.

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## CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue noted that conflicts of interest for all Board Members have been filed with the Secretary of State at least 72 hours prior to this meeting, 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.

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## OATHS OF OFFICE & ELECTION OF OFFICERS

Directors Perry, Howell and Hodgkinson took their Oaths of Office for each of the Districts. Each of their terms will expire May 2010. The Oaths will be properly filed with Larimer County District Court and Colorado Division of Local Government.

The Board then turned to the issue of electing Officers for the Districts. Upon motion duly made by Director Howell, seconded by Director Herlihey and unanimously carried, the Officers were elected as follows:

President & Chairman	Douglas Hill
Vice President & Vice Chairman	Kim Perry
Treasurer & Asst. Vice Chairman	Ken Howell
Secretary & Asst. Vice Chairman	Dan Herlihey
Asst. Vice Chairman & Assistant Secretary	Phil Hodgkinson

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## AGENDA

The Board reviewed the agenda and approved the agenda without changes.

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## APPROVAL OF MINUTES

The Minutes of the April 20, 2006 meeting were presented. Director Perry remarked that the minutes should reflect the discussion that Mr. Pogue had noted that the hourly billing rates for legal services would be lower than rates previously being charged. Upon further discussion and upon motion duly made by Director Perry, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the minutes of the April 20, 2006 meeting as revised.

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## PAYABLES

Mr. Carroll presented the Cash Status Report as of May 18, 2006. He reviewed each cash balance with the Board. Ms. Dowswell presented the Schedule of Payables as of May 18, 2006 totaling \$1,472,941.24 including check nos. 1762 through 1799. She noted the Payables listing included the retainage release for Bid Pack 2A to ERS Constructors.

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The Board reviewed the payables and upon motion duly made by Director Herlihey, seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the Schedules of Payables as of May 18, 2006 in the amounts and check numbers noted above.

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## LURA FUNDING REQUEST

Ms. Dowswell noted that the June 1st payment is due from LURA funds and asked the Board to take formal action on requesting the LURA payment. Upon motion duly made by Director Hodgkinson, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the LURA Funding Request through June 2006.

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## 2005 Audit Review And Approval

Mr. Tim Cusick, of Reynolds Henrie & Associates, the Districts' Auditors, presented a draft of the 2005 Audit for District. No. 1. Mr. Carroll reported that all of the audit representatives had met with Director Howell, Mr. Carroll, Ms. Miller, Mr. Cusick and Ms. Dowswell to review the audit. Mr. Cusick reported his firm has issued an unqualified opinion, which means the financial statements present fairly, in all material aspects, the financial position of the District. Mr. Carroll reviewed the Financial Statements and the Notes for the Board. Mr. Cusick and Director Howell concurred that the audit report is substantially complete and would be finalized by Mr. Carroll, Ms. Dowswell, Mr. Pogue and Director Howell. Upon motion duly made by Director Howell, seconded by Director Perry, it was unanimously

**RESOLVED** to approve the 2005 Audit and to approve and execute the Representation Letter once Director Howell and Mr. Pogue have completed their review and approved the audit.

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## MANAGER'S REPORT

Mr. Shannon reported that the Environmental Impact Study for I-25 and US Hwy 34 by CDOT was almost complete and presentations would be set up to introduce the findings. He updated the Board regarding the bridge underpass at Centerra Parkway, noting that an Intergovernmental Agreement was being drafted between the District, City of Loveland and Union Pacific. He noted that efforts are continuing to seek the necessary land transfer for the Right of Way needed for Centerra Parkway North. McWhinney Real Estate Services, Inc. is bidding this work for the north portion of Centerra Parkway, with the idea that dirt and pipe work could possibly commence prior to the land appraisal due in mid-June. There have been alternative solutions discussed regarding Clydesdale and Centerra Parkway and traffic signals. Mr. Boulter noted that the Motorplex I-25 sign is being installed and he would be bringing back a recommendation to the Board on whether or not the Motorplex Sculpture in the roundabout would be installed. Director Herlihey noted that an additional water purchase was needed for the tap along Centerra Parkway entry to accommodate the US 34 frontage landscape upgrades. Efforts were also being made to draft an easement to the District for the Sculpture Park.

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CONSIDERATION OF  
STREETLIGHT  
AGREEMENT

Mr. Boulter presented an Intergovernmental Agreement between the District and the City of Loveland for the Streetlight installation and maintenance. Upon motion duly made by Director Howell and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the Streetlight Intergovernmental Agreement with the City of Loveland.

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CONDUIT UPDATE

Mr. Boulter noted the District already had a user for its conduit. He stated that Platte River Power Authority had installed their lines from McWhinney Boulevard along Rocky Mountain Avenue to Crossroads. The license agreement has been drafted and Mr. Pogue was asked to review the document.

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LEGAL REPORT

Mr. Pogue updated the Board on the Medical Center of the Rockies (MCR) and Sculpture Park easements. He noted that efforts were still being made to obtain Subordination Agreements from lenders, where needed.

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CONSTRUCTION  
MANAGER'S REPORT

Mr. Erickson of Empire Management reported that Myers Group infrastructure work was ahead of schedule and three auto dealers had broken ground. Ms. Perry updated the Board on the Millennium Consolidation. She noted that the Council had approved the consolidation 9-0 on the first reading. The second reading will be June 13, 2006. The Millennium Consolidation also includes language regarding the overall Centerra Sign Program.

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ENGINEER'S REPORT

Mr. Myers, District Engineer, reported that work had been completed on the outlet structures in the Farmer's Ditch along US Hwy 34.

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PUBLIC  
COMMENTS

The Board opened the meeting to Public Comments. Mr. Jeff Barnes noted that the City of Loveland would ask that the 2005 Audit include the supplemental report as previously requested by the City under the MFA. Upon receiving no further 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.

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

Respectfully Submitted,

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Carla Hawkins, Secretary for the Meeting