

# 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

February 21, 2008

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, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 Noon Thursday, February 21, 2008. 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  
Dan Herlihey, Secretary  
Phil Hodgkinson, Vice President/Assistant Secretary

Directors in Absent and Excused:

Ken Howell, Treasurer

Also in Attendance:

Rich Shannon, McWhinney, District Manager  
Joe Knopinski, McWhinney  
Bret Boulter, McWhinney  
Jim Niemczyk, McWhinney  
Christine Harpel, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilda, & Pogue  
Rus Heise, RBC Capital Markets  
Jeff Lindquist, RBC Capital Markets  
Tom Peltz, Kutak Rock  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Diane Lunt, Pinnacle Consulting Group Inc.  
Bonnie Steele, City of Loveland

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### 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.

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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, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed, 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 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.

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### AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Herlihey, seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the agenda without changes.

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### BOARD MEMBER RESIGNATION & APPOINTMENT

There is a vacancy due to the resignation of Rocky Scott. Mr. Pogue noted that a call for interested candidates was published on February 7, 2008. The District did not receive any additional letters of interest to serve on the Boards. Joe Knopinski has agreed to serve and is qualified to serve on the Boards. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to accept Rocky Scott's resignation and approve the appointment of Joe Knopinski to serve as on the Boards of District Nos. 1-4 to fill Mr. Scott's term expiring in May 2008.

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## ELECTION OF OFFICERS

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

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

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## APPROVAL OF MINUTES

The Minutes of the January 17, 2008, meeting were presented and approved. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski, it was

**RESOLVED** to approve the minutes from January 17, 2008, as presented and to ratify actions by the District Manager during the month.

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## FINANCIAL POLICIES

Mr. Shannon, District Manager, stated the Board will need to consider establishing financial policies for funding priorities for both Capital and Operations/Maintenance expenses. The management team will present recommended financial policies at a future meeting.

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## PAYABLES

Ms. Dowswell presented the Schedule of Payables as of February 21, 2008, in the amount of \$224,633.72 including checks 3178 through 3206. The Board reviewed the payables and upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, and an abstention from Director Knopinski it was

**RESOLVED** to approve the February 21, 2008 Schedule of Payables noted above, in the amounts and check numbers noted above.

Mr. Pogue, legal counsel, noted that the annual Director Fee total would be \$500.00 per Director.

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## MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted that it was necessary to submit a Monthly Payment Certificate to American National Bank for January 2008 to fund administrative and operation costs, in the amount of \$65,650.44. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

**RESOLVED** to approve the Monthly Payment Certificate in the amount noted above and authorize Director Herlihey to execute the Certificate.

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## 2007 AUDIT

Ms. Dowswell noted the decision was made to engage Jaspers + Hall, P.C., formerly Reynolds, Henrie & Associates, P.C., for the completion of the 2007 Audit for District No. 1. Work is anticipated to commence in late March.

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## BOND ISSUANCE UPDATE

Mr. Pogue, Legal Counsel, gave the Board an update on the progress of Bond Issuance and described the transaction for the Board. Rus Heise, RBC Capital Markets, and Jeff Lindquist, RBC Capital Markets, both presented an overview of the bond transaction and in particular, Mr. Lindquist advised the Board regarding the interest rate exchange agreement ("SWAP"). Tom Peltz, Kutak Rock, LLP, advised the Board that Piper Jaffray is an independent party acting as the financial advisor involving the SWAP relationship. Mr. Shannon thanked all parties involved with the Bond Issuance.

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## 2008 BOND RESOLUTIONS

Resolutions authorizing up to \$114,000,000 Limited Tax Variable Rate Revenue Bonds for District Nos. 1, 2, 3 and 4 were presented to the Board for approval. District No. 1 is the issuer of bonds and District Nos. 2, 3 and 4 will pledge certain revenues to repayment of the bonds. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

**RESOLVED** to approve the Resolutions authorizing up to \$114,000,000 Limited Tax Variable Rate Revenue Bonds for Districts Nos. 1, 2, 3, and 4, a portion of the proceeds of which shall be used to refund the District's 2004 Bond. The Resolution includes approval by the Board of the following documents:

- 1) Interest Rate Exchange Agreement between District No. 1 and RBC Capital Markets
- 2) The Custodial Agreement among District No. 1 and American National Bank and Compass Bank
- 3) Master Indenture of Trust among District No. 1 and American National Bank
- 4) Reimbursement Agreement among District Nos. 1, 2, 3 and 4 and Compass Bank
- 5) The Capital Pledge Agreement among District Nos. 1 and 2

Mr. Pogue presented the Amended and Restated Intergovernmental Agreement between District No. 1 and No. 2 which provides for future maintenance and operations of the District. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

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**RESOLVED** to approve the Amended and Restated Intergovernmental Agreement between District No. 1 and No. 2.

Mr. Pogue presented the Amended Intergovernmental Agreement that clarifies District No. 3's obligation to certify and collect 5 mills from within its boundaries and remit the revenues generated by said mill levy to District No. 1. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

**RESOLVED** to approve the Intergovernmental Agreement among District No. 1 and No. 3 to certify 5 mills in 2008 and payable in 2009 for District No. 3. This agreement will expire in 2029.

Mr. Pogue presented the Board an Intergovernmental Agreement among District Nos. 1, 2 and 4 which establishes the priority for certifying mill levies between #2 and #4. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

**RESOLVED** to approve the Intergovernmental Agreement to cap the mill levy for District No. 1, No. 2 and No. 4.

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### REPAYMENT OF PREVIOUS DEVELOPER ADVANCES

Approval of repayment of previous developer advances was discussed. The developer is to be reimbursed up to \$8 million from bond proceeds. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, and an abstention from Director Knopinski it was

**RESOLVED** to approve the repayment of previous developer advances as noted above and to authorize Director Perry and Director Herlihey to authorize all documents and to approve each District separately.

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### REPAYMENT OF LIFESTYLE CENTER IMPROVEMENTS

The Agreement regarding Repayment of Lifestyle Center Improvements was discussed. The agreement is to include Operation & Maintenance responsibilities. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, and an abstention from Director Knopinski it was

**RESOLVED** to approve the Repayment of Lifestyle Center Improvements and Operation and Maintenance responsibilities subject to final review and approval by Mr. Pogue and Mr. Shannon, District Manager. Mr. Shannon was directed to execute this Agreement.

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### LIFESTYLE CENTER

#### BILL OF SALE

The bill of sale for the Centerra Lifestyle Center, LLC was discussed. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve Mr. Shannon executing the Bill of Sale for the Centerra Lifestyle Center, LLC.

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### DISTRICT MANAGER

Mr. Shannon explained the redirection of the ERS fine proceeds to the HPEC. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Settlement Agreement for the Storm Water dispute and authorize Mr. Shannon to execute the agreement.

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### OPERATING

#### AGREEMENT

#### CHAPUNGU

#### SCULPTURE

#### PARK

Mr. Pogue, legal counsel, noted a Revised Agreement had been transmitted to Chapungu representatives and he had not heard back from them. Mr. Pogue conveyed that once the deed is recorded for the Sculpture Park the District's easement ceases to exist.

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### LEGAL REPORT

Mr. Pogue requested approval of the Records Retention and Inspection Policy Resolution. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve submitting the Approval of Records Retention and Inspection Policy Resolution.

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### MYERS 3RD

#### IMPROVEMENTS &

#### MAINTENANCE

Mr. Boulter, McWhinney, noted the next phase of Myers 3<sup>rd</sup> (Motorplex) improvements had been bid and the bid opening is February 22<sup>nd</sup>. This project will be funded with Developer Advances. Mr. Shannon noted that the District will be entering into maintenance contracts of district improvements that will be accepted by the district this year. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the consideration of maintenance contracts not to exceed \$500,000.00.

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OTHER MATTERS

Ms. Dowswell noted that she will be working with Ms. Steel on the required MFA reports to the City of Loveland.

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PUBLIC  
COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no comment, this portion of the meeting was closed.

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BOARD MEETING  
CONTINUATION

At 2:00p.m., the Board decided to continue the meeting which will be held on Friday, March 7, 2008 at noon, to further discuss the Bond Issuance. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to continue the Board Meeting as noted above.

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