

# 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  
August 17, 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, August 17, 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  
Dwayne Walker, Empire Construction Management  
Stan Myers, Northern Engineering  
Carla Hawkins, Pinnacle Consulting Group, Inc.

CALL TO

ORDER

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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.

COMBINED

MEETING

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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

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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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AGENDA

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

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APPROVAL OF  
MINUTES

The Minutes of the July 20, 2006 meeting were presented and reviewed by the Board. Corrections were made to add IGA under the I-25 & US HWY 34 Final Design discussion and also correct the vacated street as East 29<sup>th</sup> Street. Upon further discussion and upon motion duly made by Director Herlihey, seconded by Director Perry, it was unanimously

**RESOLVED** to approve the minutes of the July 20, 2006 meeting as amended.

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PAYABLES

Ms. Dowswell presented the Cash Status Report as of August 17, 2006 explaining that the District was now receiving PIF Funds. She also presented the Schedule of Payables as follows: June 15, 2006 totaling \$1,127,998.75 including check nos. 1801 through 1830; June 29, 2006 totaling \$23,464.21 including check nos. 1832 & 1833; July 5, 2006 totaling \$5,667.00 including check no. 1834; July 21, 2006 totaling \$378,860.09 including check nos. 1874 through 1876 and August 18, 2006 totaling \$1,015,273.12 including check nos. 1877 through 1912. The Board reviewed the payables and upon motion duly made by Director Howell, seconded by Director Herlihey, it was unanimously

**RESOLVED** to ratify the Schedule of Payables from June through July 5, 2006 and approve the Schedules of Payables for July 21, 2006 and August 18, 2006 in the amounts, and check numbers noted above.

Ms. Dowswell presented the Financial Statements as of June 30, 2006, as prepared by Clifton Gunderson LLP. She noted that the General Fund expenditures totaled \$306,930 through June and this was 54% of the annual budget. She also reviewed the Debt Service Fund noting that expenditures were right on target with 49% of the budget expensed through June 30, 2006. The Capital Fund - Bond Revenue Fund expenditures totaled \$32,117,416 which is 19% of the budget through June 30, 2006. The reason the percentage is low to budget is that adopted 2006 budget anticipated 100% of the project costs, knowing that the timing may extend into future years. She noted that the Capital Fund - Long-Term Advance Fund is 12% of budget with expenditures of \$2,717,044 through June 30, 2006, which is low for the same reason.

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## MANAGER'S REPORT

Mr. Shannon stated that negotiations were underway to designate Centerra Parkway as a regional improvement under the MFA. He also mentioned that Mr. Boulter had received a letter agreement from WAPA (Western Area Power Administration) outlining the terms for water and landscaping on the Crossroads roundabout. They requested Mr. Pogue, counsel, to review the agreement. Mr. Shannon and Mr. Boulter clarified which landscape improvements would be installed along Crossroad Boulevard and Rocky Mountain Avenue north.

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## PROPERTY CONVEYANCE RESOLUTION

Mr. Alan Pogue, legal counsel, noted that five separate McWhinney entities currently own the 12 parcels that will be conveyed to the District. Mr. Joe Fonfara is currently preparing the necessary documents to release the land from the collateral loans. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to accept the 12 property conveyances at such time as the paper work is completed. Copies of the conveyances will also be given to the Centerra Commercial Owners Association.

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## CHANGE ORDER FOR PARCEL 102 LANDSCAPING

Mr. Boulter stated that the District plans to landscape the 6.6 acre retention area in Parcel 102. The District is currently contracting with two landscape companies that have provided unit pricing that could apply to this same work, and Mr. Boulter recommends change ordering the work to one of those contracts. The anticipated cost for this project should not exceed \$280,000. Upon motion duly made by Director Hodgkinson and seconded by Director Howell, it was unanimously

**RESOLVED** to authorize the change order for parcel 102 to an existing landscaping contract, not to exceed \$280,000.

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## WATER PURCHASES

Director Herlihey noted there was a need for the District to acquire an additional 25 – 50 acre feet of water for irrigation use, for dedications through 2006. The recommended price per acre foot is \$9,800 (this includes the price of the native storage fee). Upon motion duly made by Director Hodgkinson and seconded by Director Howell, it was unanimously

**RESOLVED** to authorize the purchase of up to 25 acre feet of water at a price not to exceed \$9,800 per acre foot.

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## LEGAL REPORT

Mr. Pogue presented a memorandum prepared by his firm, explaining the State Statute regarding illegal alien provisions in governmental contracting. It outlined specific language that is to be added to District contracts regarding acknowledgement by the contractor that they do not knowingly employ illegal aliens. This District will be updating its contracts to include this language.

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## CONSTRUCTION

### MANAGER'S REPORT

Mr. Dwayne Walker of Empire Management reported that Union Pacific was moving onto the site in connection with the UPRR Bridge. Within twelve hours on August 25<sup>th</sup>, the tracks should be relocated to allow for the construction of the shoo-fly. The new bridge construction is estimated to take 6 months. Empire will keep a detailed diary of labor and material costs. Mr. Walker also stated the landscaping along US Hwy 34 and west of Centerra Parkway is set to begin. Mr. Boulter noted that the plaza adjacent to PF Changs and Biaggi's will be completed in late September. There are plans to have a dedication of the plaza with the opening of phase one of the sculpture park. Phase one includes the placement of 10 of the 80 total anticipated sculptures to be set in the park.

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### ENGINEER'S REPORT

Mr. Myers, District Engineer, stated that they were close to obtaining approval for the interchange re-design from the State. He also noted that the development of parcels 503, 504, 505 will trigger the need to install the required lift station.

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## PUBLIC

### COMMENTS

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

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## MEETINGS

The next regular board meeting is scheduled for Thursday, September 21, 2006 at noon, however several key people will be out of town for that meeting. Upon discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to have a special meeting at noon at Biaggi's, 5929 Sky Pond Drive, Loveland, CO on Thursday, September 28th.

Regular meetings are to be held monthly on the second Thursday of each month at McWhinney Real Estate Services Inc., 2725 Rocky Mountain Avenue Suite 200, Loveland, Colorado.

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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