

# 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  
March 16, 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, March 16, 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 Pres./Asst. Secretary

Directors Absent and Excused:

Douglas Hill, President

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
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

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.

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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 District.

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## AGENDA

The Board reviewed the agenda and made no changes.

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## APPROVAL OF MINUTES

The Minutes of the February 16, 2006 meeting were presented. The Board suggested minor revisions on pages 3 and 4 of the minutes. Upon further discussion and upon motion duly made by Director Hodgkinson, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the minutes of the February 16, 2006 meeting, as corrected.

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## FINANCIAL REPORT & PAYABLES

Mr. Carroll presented the draft Financial Statements through December 31, 2005 for District No. 1. He reviewed the Balance Sheet and then the Statement of Revenues, noting that General Fund expenditures were \$217,768 in 2005 compared to a budget of \$523,850. He also noted that the Debt Service Fund budget would need to be amended, which would be done at the next board meeting. Mr. Carroll reviewed the Capital funds, noting that in the Bond Funded projects, actual expenditures were \$19,061,084 against a budget of \$32,848,041 and in the Developer funded Capital Fund, actual expenditures were \$5,673,247 against a budget of \$16,772,945. He noted that the Auditors will begin their field work the last week of March. Mr. Carroll presented the Schedule of Cash Status as of March 16, 2006, reviewing the balances in each cash account. Ms. Dowswell presented the Schedule of Payables as of March 16, 2006 totaling \$687,798.66 including checks 1685 through 1720. She noted that the operations and maintenance expenses had already been funded, and all but \$171,000 of capital would be funded from bond funds, with the \$171,000 from developer advances. The Board reviewed the payables and upon motion

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duly made by Director Herlihey, seconded by Director Howell, it was unanimously

**RESOLVED** to approve the March Schedule of Payables as noted above, in the amounts noted above.

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### 2005 AUDIT EXEMPTIONS

Mr. Carroll presented the 2005 Applications for Audit Exemption for District Nos. 2, 3 and 4. Upon motion duly made by Director Perry and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the 2005 Applications for Exemption from Audit for District Nos. 2, 3 and 4.

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### BNP COMPLIANCE CERTIFICATES

Ms. Dowswell stated that the District was required to file quarterly compliance certificates with BNP, the 2004 Bond letter of credit provider, and presented the 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2005 Compliance Certificates. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the BNP Quarterly Compliance Certificates for 3rd and 4th quarters of 2005, and authorize Director Howell to execute the Certificates.

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### AWARD CENTERRA PARKWAY UPRR UNDERPASS BRIDGE

Mr. Walker, Construction Manager, noted that the bid opening for the Centerra Parkway UPRR Underpass Bridge project would take place on March 21, 2006, which was deferred to allow for technical questions to be answered. Mr. Walker noted that he does need to award the contract soon, in order to get the job started, but will not have the bids until March 21, 2006. In order to respond to this need, the board decided to continue this meeting until March 22, 2006 to consider the award at that time. Upon further discussion and motion duly made by Director Hodgkinson and seconded by Director Howell, it was unanimously

**RESOLVED** to continue this meeting to Wednesday, March 22, 2006 at 4:00 pm at this same location.

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### CONSIDER ARCHITECTURAL FINISHES CHANGE ORDER

Mr. Boulter presented a change order for architectural finishes for a Centerra boundary marker that would match the one on the east side of Centerra. The finishes would be an exact replica on the north and west side. The same contracting team would be used in other markers. The preliminary cost is

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estimated at \$285,000 to \$300,000 in hard costs. The design will include spotlights at the bottom of the marker. Upon motion duly made by Director Perry, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Change Order to CE 11-CS for an additional Centerra Boundary Marker.

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### LANDSCAPE NEAR MEDICAL CENTER OF THE ROCKIES

Mr. Boulter noted that there was a need to work with Medical Center of the Rockies to finish the 80' landscape buffer along I-25. Medical Center of the Rockies will dedicate the required water and tap. As this is a District project, it will need to be publicly bid and should take place this spring with plans for installation this fall. Mr. Boulter requested direction from the Board to proceed with the bid. Upon motion duly made by Director Perry, seconded by Director Herlihey, it was unanimously

**RESOLVED** to proceed with the public bid process for the landscape between the Medical Center of the Rockies & I-25.

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### MANAGER'S REPORT

Mr. Boulter noted that Director Herlihey and he were obtaining approval from the Visual Arts Commission for the Motorplex Sculpture. There was discussion regarding maintenance responsibility of this sculpture and that the wooden molds would be saved for later use. Mr. Boulter noted that the Myers 3<sup>rd</sup> public project was far ahead of schedule. Landscaping and fence improvements are slated to begin along Hahns Peak Drives south of McWhinney Boulevard on the west side.

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### LEGAL REPORT

Mr. Pogue noted that the May election had been canceled. He presented a Resolution canceling the election and declaring Kim Perry, Ken Howell, and Phil Hodgkinson elected by acclamation. He reported that to do the landscape work around Medical Center of the Rockies, the District needs to obtain three landscape easements. Two of the easements are acceptable, however one needs revision. Upon motion duly made by Director Herlihey, seconded by Director Perry, it was unanimously

**RESOLVED** to approve the execution of the three landscape easements with Medical Center of the Rockies, pending final legal review.

Mr. Pogue reported that an agreement with the 2534 development will need to be drafted for drainage construction and maintenance responsibilities. The maintenance may need to be done by the District. Mr. Pogue reported that the sculpture park easement is acceptable to the District, subject to review of the final document. There will be an easement from CPW to Centerra Metropolitan

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District No.1 for the area east of the life style center, north of Sky Pond and west of Centerra Parkway. Upon motion duly made by Director Perry, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Sculpture Park easement.

Director Perry, on behalf of the District, has executed the agreement for the Chapungu Park and phase one is expected to be completed in August 2007. Mr. Pogue noted that the District Board would need to ratify the agreement, which states that the District will build the park (or cause to be built), install the sculpture bases, reimburse certain initial display and interpretive information as well as fund periodic rotation of the sculptures, maintenance and courtesy patrols. Upon motion duly made by Director Hodgkinson, seconded by Director Perry, it was unanimously

**RESOLVED** to ratify the Agreement between the District and Chapungu.

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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.

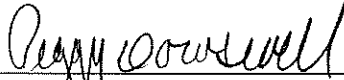
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### ADJOURNMENT

As the business of the District was not yet complete, and by motion duly made by Director Herlihey, seconded by Director Hodgkinson, this meeting was continued to Wednesday, March 22, 2006, at 4:00 pm, at this location.

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

Respectfully Submitted,

  
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Peggy Dowswell, Secretary for the Meeting