

# 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  
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD  
August 16, 2012

The Boards of Directors of the 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 the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 Noon Thursday, August 16, 2012. 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  
Jay Hardy, Vice President & Assistant Secretary  
Julie Den Herder, Assistant Secretary/Treasurer  
Tom Hall, Secretary

Directors Absent and Excused:

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Jim Niemczyk, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Seaver & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Brendan Campbell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Shelly Goldrich, Pinnacle Consulting Group, Inc.  
Bonnie Steele, City of Loveland  
Brent Worthington, City of Loveland

CALL TO  
ORDER

The meeting was called to order at 12:08 p.m. by Director Perry, President, 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.

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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 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 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 Hall and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the agenda.

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## APPROVAL OF MINUTES

The minutes of the June 21, 2012 regular meeting were presented. Upon motion duly made by Director Den Herder and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the June 21, 2012 minutes.

There were no actions or representations of the District by the District Manager to ratify since the last Board Meeting.

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## ITEMS FROM PROJECT MANAGER

Mr. Niemczyk stated plant materials for the intersection of I-25/Hwy 34 have been accepted and there is an extension on the warranty for the medians. Additional seeding will take place later this fall. Overall, the landscaping is improved over this time last year. The retainage is scheduled to be released and the contract is wrapping up.

### Approval of Acceleration Lane Cost Sharing IGA

Mr. Niemczyk presented to the Board for their approval of the Acceleration Lane Cost Sharing IGA between Centerra Metro Districts, Thompson Crossing Metro Districts and Johnstown North Metro Districts. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

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**RESOLVED** to approve the Acceleration Lane Cost Sharing IGA.

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ITEMS FROM THE  
FINANCE DIRECTOR

Financial Report and Approval of Payables

Ms. Dowswell presented for approval the May Schedule of Payables through May 31, 2012 in the amount of \$100,542.36; including checks 4847 through 4867 and the July Schedule of Payables through July 31, 2012 in the amount of \$122,595.52; including checks 4891 through 4911. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to ratify the May and July Schedules of Payables, in the amount and check numbers noted above.

Ms. Dowswell presented for approval the August Schedule of Payables through August 31, 2012 in the amount of \$105,954.13; including checks 4912 through 4934. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the August Schedules of Payables, in the amount and check numbers noted above.

Discussion of PIC Release

Ms. Dowswell explained to the Board there will be two separate releases this year. Pinnacle Consulting Group, Inc. will file the appropriate documents with the bank by the end of the month. The first of the two releases will be in the amount of \$1,789,273.81 and the second will be between \$400,000 and \$600,000.

Discussion of 2012 Loan Draw Down and Status of Amendment Requests to Banks

Ms. Dowswell explained the cost of bank fees which will be incurred if they are to draw on the loan. She stated it would be better to defer a draw on an advance until it is needed. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the Amendment requests from the bank with the condition to cap the fee at 10 basis points and on legal fees, and review by Director Kane and Ms. Dowswell by the end of the month.

Status of Regional Allocation Threshold

Ms. Dowswell explained to the Board that the District is closer to the \$156 million threshold.

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ITEMS FROM THE  
DISTRICT MANAGER

Ms. Hawkins reported she has been speaking with vendors, reviewing O&M expenses and capital expenses and is developing the 2013 budget. A preliminary budget will be sent to the Board for review by October 15<sup>th</sup> and will be presented at the October 18<sup>th</sup> Board meeting. Ms. Hawkins and Director Perry are currently meeting with ValleyCrest regarding landscaping concerns.

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## ITEMS FROM LEGAL COUNSEL

Mr. Pogue stated the 2012 Legislative Session did not reveal anything that would be of concern to the Centerra Metropolitan Districts.

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## BOARD MEMBER COMMENTS

Director Perry instructed Pinnacle Consulting Group, Inc. to include additional engineering in the budget for infrastructure on Boyd Lake Avenue due to activity and interest in the construction of additional residential units.

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## PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Ms. Steele presented the 2011 City of Loveland URA Audit Report. Mr. Worthington updated the Board on the issue of PIF revenues by Best Buy. Currently the City is working with Best Buy to resolve this issue.

Upon receiving no further comments, this portion of the meeting was closed.

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## EXECUTIVE SESSION

Mr. Pogue advised the Board that it was permitted, upon compliance with requisite statutory procedures under the Colorado Executive Session Laws, for the Board to convene an executive session, pursuant to § 24-6-402(4)(b), C.R.S., to receive legal advice from legal counsel on specific legal questions related to the Master Financing Agreement. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

**RESOLVED** to convene an Executive Session, pursuant to § 24-6-402(4)(b), C.R.S., to receive legal advice from legal counsel on specific legal questions related to the Master Financing Agreement.

It is the 16<sup>th</sup> day of August, 2012 and the time is 1:13 p.m. For the record, I, Kim Perry, am the presiding officer. This Executive Session is recorded pursuant to the requirements of the Colorado Open Meetings Law. Also present at this Executive Session are: Directors Jay Hardy, Tom Hall and Julie Den Herder, District Finance Director Peggy Dowswell and legal counsel Alan Pogue.

This is an Executive Session for the following purpose: for receiving legal advice from legal counsel on specific legal questions related to the Master Financing Agreement.

The time is now 1:34 p.m. the Executive Session is concluded. The participants in the Executive Session were: Directors Jay Hardy, Tom Hall, Kim Perry, and Julie Den Herder, District Finance Director Peggy Dowswell, and legal counsel Alan Pogue.

For the record, if any participant in the Executive Session believes any matters were discussed in the Executive Session beyond the permitted purpose of the Executive Session, please state your object now. No objections were stated.

## ADJOURNMENT

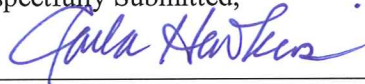
There being no further business to come before the Board, the meeting was adjourned at 1:34 p.m.

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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