

# 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  
April 20, 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, April 20, 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:

Douglas Hill, President (at 1:10 pm)  
Kim Perry, Vice President  
Ken Howell, Treasurer  
Dan Herlihey, Secretary  
Phil Hodgkinson, Asst Vice President/Secretary

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
Rich Shannon, McWhinney Enterprises, District Manager  
Peggy Dowswell, District Administrator  
Bret Boulter, McWhinney Enterprises  
Sylvester Mabry, McWhinney Enterprises  
Brandi Curtis, 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.

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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 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 March 16, 2006 meeting and March 22, 2006 continuation meeting were presented. Upon further discussion and upon motion duly made by Director Herlihey, seconded by Director Howell, it was unanimously

**RESOLVED** to approve the minutes of the March 16<sup>th</sup> and March 22, 2006 meetings as presented.

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## PAYABLES

Ms. Dowswell presented the Cash Status Report as of April 20, 2006, noting that the District had accumulated \$401,890.70 in cash and recommended that a Colotrust savings account be opened to allow the District to earn higher interest than a regular savings account. Upon further discussion and upon motion duly made by Director Herlihey, seconded by Director Perry, it was unanimously

**RESOLVED** to adopt the Resolution to open a Colotrust Account to and transfer excess funds to the account.

Ms. Dowswell presented the Schedule of Payables as of April 20, 2006 totaling \$634,605.02 including check nos. 1721 through 1757. The Board reviewed the payables and upon motion duly made by Director Howell, seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Schedules of Payables as of April 20, 2006 in the amounts and check numbers noted above.

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## 2005 Amended Budget & Hearing

Director Perry opened the 2005 Amended Budget Hearing to the public and reported that notice of the hearing had been published in accordance with the state budget law. There being no public input, the public hearing was closed. The Board reviewed the 2005 Amended Budget, with the only changes recommend in the Debt Service Fund as presented by Ms. Dowswell. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the 2005 Amended Budget; Appropriate budgeted funds, and approve all other documents related to the 2005 Amended Budget for District No. 1, attached hereto for the record.

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## 2005 AUDIT

Ms. Dowswell updated the Board on the 2005 Audit noting that it had not been finalized and she anticipated that it would be completed by early May.

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## MANAGER'S REPORT

Mr. Shannon updated the Board regarding the bridge underpass at Centerra Parkway, noting that efforts were still being made to obtain the Union Pacific permits. They are also working on the necessary approvals from the City of Loveland. He noted that McWhinney Real Estate Services, Inc. was bidding and contracting this work for the north portion of Centerra Parkway, with the desire to seek reimbursement at a later date from the Public Improvement Corporation. Mr. Shannon also reported that Fox Higgins would be conducting the necessary traffic count in May. He remarked that the McWhinney team was also involved with the Environmental Impact Study for I-25 and US Hwy 34. He noted that the Boyd Lake Roundabout improvements were estimated to be \$5 million. There is a possibility that adjacent property owners may have an incentive to have this work completed earlier than planned and they may be willing to cost share the project.

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## CONSIDERATION OF CONDUIT ACCEPTANCE

Mr. Boulter presented an exhibit illustrating conduit locations within Centerra. It is his recommendation that the District accept the Dry Utility Conduits owned by the developer from the developer. This conduit allows end users more options to bring fiber alternatives to their locations, and was largely installed to protect the District's improvements from being disrupted by future installation of conduit. It is not intended to be a revenue source, but allows the District to make agreements with users to protect landscaping, etc. in the utility easements. Mr. Pogue suggested that a Bill of Sale be drafted to dedicate the conduit lines to the District. Upon motion duly made by Director Hodgkinson and seconded by Director Howell, it was unanimously

**RESOLVED** to authorize Mr. Pogue to draft the Bill of Sale from CPW Properties conveying the three conduit lines for Dry Utilities to Centerra Metropolitan District No. 1.

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## CONSIDERATION OF SIGN EASEMENT

Director Herlihey stated that the boundary marker on Sky Pond was outside the 80' landscaping easement and that a sign easement will be requested from CPW Properties. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to request and accept a Sign Easement from CPW Properties, LLC for the boundary marker sign on Sky Pond Drive, and direct Mr. Pogue to draft.

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## PARCEL CONVEYANCE UPDATE

Director Herlihey presented a map outlining all of the parcels anticipated to be conveyed to the District. He noted that all of the parcels were platted parcels with the exception of Parcel H, but this is anticipated to be completed in the near future with RMV 16<sup>th</sup> plat. Director Perry raised a concern regarding whether or not the District should accept these parcels if the improvements were not completed. Mr. Pogue stated that the property would be owned in fee-simple and the District planned to complete these improvements anyway. Director Howell noted that there was SID allocated to

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Parcel 102. Director Herlihey noted that the SID on that parcel had been re-allocated to developer entities and the District's piece would be unencumbered. Upon motion duly made by Director Perry and seconded by Director Howell, it was unanimously

**RESOLVED** to approve the conveyance of the parcels to Centerra Metropolitan District No. 1 subject to Mr. Pogue's approval of the instrument to convey the parcels.

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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 approval had been given by each of the entities and they were now currently working on obtaining Subordination Agreements from the lenders.

Mr. Pogue noted that Directors Perry, Howell and Hodgkinson had been elected by acclamation to the Board and the Board would elect a slate of officers at their May meeting.

Mr. Pogue, Legal Counsel, noted that he was leaving White, Bear & Ankele P.C. to start a new law firm as Pogue, Corbetta, & O'Leary as of April 26, 2006. He noted that Attorney Deborah Early and Paralegal Stacie Pacheco were joining the new firm. As Deborah and Stacie were his team at White, Bear & Ankele and are very familiar with the Districts, this will result in a smooth transition if the Board decides to go with his new firm. Mr. Pogue also relayed the expertise of the other attorneys joining the new firm. Mr. Pogue noted that the hourly rates for legal services would be lower than rates being charged by White, Bear & Ankele P.C. Mr. Pogue noted that the Board's options were to 1) go with his new firm, 2) stay with White, Bear & Ankele or 3) solicit a new firm. Mr. Shannon, District Manager, noted it was his recommendation that the Board consider retaining Mr. Pogue at his new firm due to the quality of service Mr. Pogue has provided; his history with the District; and that his new firm has the substance and ability to service the Districts. After consideration, and upon motion duly made by Director Perry, seconded by Director Herlihey, it was unanimously.

**RESOLVED** to engage Pogue, Corbetta & O' Leary P.C. as legal counsel for all of the Centerra Metropolitan Districts, effective immediately.

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## CONSTRUCTION MANAGER'S REPORT

Mr. Dwayne Walker, Empire Management, noted that the sleeving project under US Hwy 34 on the east side had been completed. He reported the finish grading on the west side of Centerra Parkway has been completed and Valley Crest and Gregory Electric would begin work. The Greeley Canal rework was underway and would be completed by May 1<sup>st</sup>. The hotel site is being completed and will be seeded thereafter. It was also reported that Mr. Boulter was working with DTJ on plans for open space in front of Parcel 505.

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## ENGINEER'S REPORT

Director Herlihey asked whether or not Union Pacific needed to obtain easements from CPW Properties, LLC for areas outside their ROW. Mr. Stan Myers stated that there were areas outside the existing ROW and will work with CPW to get easements as needed.

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PUBLIC  
COMMENTS

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The Board opened the meeting to Public Comments. Director Howell stated that he would like to see the District provide lunch for the Board Meetings from restaurants within the District. He also asked a procedural question regarding making motions which was answered by Mr. Pogue. 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