

**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 5, 2004**

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 on Thursday, August 5, 2004. 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  
Kim Perry  
Dan Herlihey  
Ken Howell

Directors Absent and Excused:

Dean Barber

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
Peggy Dowswell, District Administrator  
Rich Shannon, McWhinney Enterprises  
Dwayne Walker, Empire Management  
Stan Myers, Northern Engineering

CALL TO  
ORDER

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The meeting was called to order Mr. Alan Pogue, general counsel to the Districts, 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 landowner and developer within the District.

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AGENDA

The Board reviewed the agenda and approved Mr. Shannon's suggested additions to the Agenda for Contracts related to Myers, an update on CDOT interchange issues, form of the Master Service Agreement and Street Lights.

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IGA BETWEEN  
DISTRICTS 1 & 3

Mr. Pogue presented the Intergovernmental Agreement between Districts No. 1 (Service District) and No. 3 (Taxing District). The agreement sets forth the obligation under the Master Financing Agreement (MFA) that District No. 3 pays an amount equivalent to 5 mills to District No. 1 to finance regional improvements. The obligation commences upon the earlier of the issuance of the first Certificate of Occupancy in the residential district, or January 1, 2009. Upon further discussion and motion duly made by Director Hill and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the Intergovernmental Agreement between Districts No. 1 and No. 3. by both Boards.

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IMPROVEMENTS  
ACQUISITION  
AGREEMENT

Mr. Pogue reported on recent discussions with Poag regarding this agreement, noting an issue had arisen over putting the public easements in place now or at the time of acquisition of the improvements and whether Foley's had public parking included on their land. Mr. Pogue also noted that the District would only pay for public improvements up to a maximum of \$21.4 million, and would only be paid upon the proper documentation being received by the District. The plan is to pay for and acquire these improvements with the District's next bond issue, expected in 2007.

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AWARD CENTERRA  
2A CONTRACT

Mr. Dwayne Walker, Empire Management, presented the Bid Summary for the Centerra East 2A public infrastructure project, noting it was a very good bid process. Empire recommended to the Board that the bid be awarded to ERS Constructors in the amount of their bid of \$4,072,772.60, which was the lowest bid. Empire has reviewed the bid and noted that the Bid Bond, Bidder's Qualification Statements, Schedule of Work and all necessary attachments were submitted and are in good order. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Perry, it was unanimously

**RESOLVED** to award the 2A Contract to ERS Contractors, as the lowest responsible bidder, direct Empire to issue the Notice to Proceed and authorize Empire and consultants to finalize the Contract documents.

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CHANGE  
ORDERS

The Board discussed the policy of approving change orders, noting that any board member should be able to sign change orders and contracts. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Perry, it was unanimously

**RESOLVED** to authorize any Board member to execute change orders and contracts on behalf of the District.

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AWARD MYERS  
CONTRACTS

Mr. Rich Shannon reported that three additional contracts will be required to complete the Myers/Heska public infrastructure, in addition to the Connell contract approved by the District at the July 29<sup>th</sup> meeting. The contracts are: Empire Management, for construction management, not to exceed \$48,665, Earth Engineering Consultants, for testing, not to exceed \$15,000 and Northern Engineering, for staking, not to exceed \$15,000. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the additional contracts related to Myers to Empire Management, not to exceed \$48,665, Earth Engineering Consultants, not to exceed \$15,000 and Northern Engineering, for staking, not to exceed \$15,000. **FURTHER RESOLVED** to direct consultants to finalize the Contract documents where required.

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CDOT INTERCHANGE

ISSUES

Mr. Shannon reported on the difficulty they have had with getting CDOT assistance in annexing the I'25/Hwy 34 interchange into Loveland. This is necessary in order to use funding from the URA tax increment for the upgrade of the interchange. He noted that Janelle Kechter with Lucia Liley's office had suggested that the CDOT property could be incorporated with other annexations being done as a part of the millennium consolidation process. Mr. Shannon noted that CDOT and the UP Railroad are usually silent on this process. Mr. Shannon asked the Board to approve Northern Engineering's and other necessary consultants' work on this issue. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the contracting of Northern Engineering and other consultants per Mr. Shannon's direction to work on the annexation/CDOT permit issues as it relates to public infrastructure.

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MASTER SERVICE

AGREEMENTS

Mr. Shannon reported that he is working on a standard Master Service Agreement for the District's engineering, construction management, and other services where needed. He will return with a draft for approval by the Board.

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STREET LIGHTS

ISSUE

Ms. Dowswell reported that she met with Carla Hawkins, McWhinney Enterprises, and Jen, with the City of Loveland, regarding the Street Lights that had been installed along roadways in Centerra several years ago by the City. Then, McWhinney had paid the City a lump sum to maintain the street lights, based on a calculation for the incremental cost of energy and replacement costs for the light poles and fixtures. There is no formal agreement with the City to that effect; however, the invoices from the City clearly show the calculation and the amount paid to the City. The City does not believe that was the agreement. Mr. Walker, of Empire Management, reported that he participated in the discussions with the City and that the agreement was that McWhinney paid a lump sum payment for the City to maintain the street lights from that time forward. Ms. Perry noted that future street light fixtures will use the City's standard pole, so this should not be an issue. Ms. Dowswell will work towards resolving the issue with the City.

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DISTRICT  
MANAGEMENT

Mr. Pogue reported that he is reviewing an RFP for District management services that will be necessary to bid. Upon further discussion and upon motion duly made by Director Perry and seconded by Director Hill, it was unanimously

**RESOLVED** to direct consultants to proceed with the public bid process for District management services.

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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.

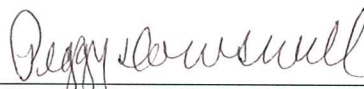
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ADJOURNMENT

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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Peggy Dowswell, Secretary for the Meeting