

**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 21, 2005**

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 21, 2005. 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  
Kim Perry, Vice President  
Dan Herlihey, Secretary  
Ken Howell, Treasurer  
Dean Barber, Asst. Sec./Asst. Vice Pres.

Directors Absent and Excused:

none

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
Peggy Dowswell, District Administrator  
Rich Shannon, McWhinney Enterprises, District Manager  
Bret Boulter, McWhinney Enterprises  
Stan Myers, Northern Engineering  
Dwayne Walker, Empire Management  
Jon Erickson, Empire Management  
Ginger Dodge, McWhinney Enterprises  
Jeff Barnes, City of Loveland

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 March 17, 2005 meeting were presented. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the minutes of the March 17, 2005 meeting, as presented.

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PAYABLES

Ms. Dowswell presented the Schedules of Payables as of February 25, 2005, totaling \$40,003, including checks 1165 & 1166; March 7, 2005 in the amount of \$5,000 for check 1167; March 22, 2005, totaling \$12,693 including checks 1194 & 1195; March 23, 2005, totaling \$67,978 for checks 1196 & 1197; and April 21, 2005, totaling \$1,274,516, and including checks 1198 through 1221. Ms. Dowswell noted that \$324,890 would be funded from capital advances from the Developer, \$3709 funded from operating advances from the Developer and the balance of payables would be funded from bond proceeds. The Board reviewed the payables and upon motion duly made by Director Howell and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Schedules of Payables noted above, in the amounts noted above, including checks 1165 through 1221 (except checks 1168 through 1193, which were approved at the March meeting).

Ms. Dowswell also presented the Engagement Letter from Reynolds Henrie & Associates, for the 2004 Audit. President Hill executed the letter on behalf of the District.

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DISTRICT NO. 1 & 2  
PUBLIC EXCLUSION  
HEARING

Mr. Pogue reported that an exclusion petition for a right-of-way owned by the City has not been fully executed, and requested this Hearing be continued to the next meeting. Upon motion duly made by Director Perry and seconded by Director Herlihey, it was unanimously

**RESOLVED** to continue this Exclusion Hearing to Thursday, May 19, 2005 at 12 noon, at this location.

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DISTRICT NO. 1 & 2  
PUBLIC INCLUSION  
HEARING

Mr. Pogue reported that an inclusion petition for a right-of-way owned by the City has not been fully executed, and requested this Hearing be continued to the next meeting. Upon motion duly made by Director Perry and seconded by Director Herlihey, it was unanimously

**RESOLVED** to continue this Inclusion Hearing to Thursday, May 19, 2005 at 12 noon, at this location.

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DISTRICT MANAGER  
REPORT

Mr. Shannon, District Manager, presented two work orders from Northern Engineering, for projects that need to begin soon. One is the design of the Lift Station on the East side of I'25, which will be triggered by any further building activity in East Centerra. The estimate from Northern is \$80,000 to complete the design. Mr. Shannon noted that it was important to begin now, as City and State approvals could take up to one year. The second work order is to begin the design of Centerra Parkway, north of the rail road track. The Board questioned whether this needed to be done at this time. Mr. Shannon replied that talks with nearby property owners on the concept of a regional improvement district have stalled for now, but that the design of Centerra Parkway north to Crossroads would still need to be designed fairly soon. Mr. Shannon noted that the funding for both of these work orders would be from bond funds expected to be available. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to approve the Lift Station design and the Centerra Parkway north to Crossroads design work orders with Northern.

Mr. Shannon asked the Board to ratify the Agreement between the District and The Greeley and Loveland Irrigation Company for the Pedestrian bridge crossing east of the Shops at Centerra. The Agreement has been executed by President Hill and the \$5,000 crossing fee paid. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to ratify the Pedestrian bridge crossing Agreement with The Greeley and Loveland Irrigation Company.

Mr. Shannon presented the contract, previously approved, for the Landscape bid awarded to Valley Crest, which the Board executed. Mr. Dwayne Walker noted that Robb Williamson of DTJ had reviewed the plans before they went to bid, and that there were liquidated damages in the contract per the schedule for completion.

Mr. Shannon presented the Job Cost Reports, one for the projects funded by the 2004 Bonds and one funded by Developer Advances. He reviewed both, noting that special effort had been made to quantify the expected costs per project, especially for those projects that were near completion. Due to some delayed work, most of the projects are still open and have a reasonable amount in both contingency and expected costs. The Bond Job Cost report currently shows an excess of approximately \$3.3 million, which is available for other eligible public improvements. Mr. Shannon noted that the highest priority for those funds now is the work on Centerra Parkway, north of the Shops at Centerra.

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LEGAL REPORT

Mr. Alan Pogue, legal counsel, reported that he is working with Poag & McEwen to get the easements the District needs to complete its 75 foot landscape buffer and tie in to the sidewalks at the Shops. He also reported that he is completing the SEC filing requirements for the District's Capital and Operating Advance Agreements with the Developer.

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CONSTRUCTION  
MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that he is working with the City to get their initial acceptance of completed sanitary sewer, which he expects in the next few weeks. The as-builts are being finalized by Northern, and the 2 year warranty period will start with the date of their initial acceptance. Empire will get copies of all of the documentation and correspondence for the District files. Mr. Shannon noted that the 2 year warranty period on all work will need to be tracked by the District, for insurance and maintenance issues. There was also discussion about the maintenance of the bridges and architectural upgrades. Mr. Shannon will work to ascertain the maintenance responsibilities between the City and the District on the bridges.

Mr. Jon Erickson, Empire Management, reported that the City approvals have been received on the Myers 1<sup>st</sup> Subdivision, Phase I project. He noted that another Landscape bid is expected to go out in early July for west Centerra. Mr. Erickson also reported that the bid opening for Hahns Peak Drive had been held and they recommended the lowest responsible bidder, which was Connell. Upon further discussion and motion duly made by Director Hill and seconded by Director Perry, it was unanimously

**RESOLVED** to award the Bid and authorize the Contract for Hahns Peak Drive to Connell Resources.

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DISTRICT ENGINEER  
REPORT

Mr. Stan Myers, Northern Engineering, reported that he is still working on the Permanent Access Permit at Highway 34, addressing drainage and detention pond issues in the process.

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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

# AFFIDAVIT OF PUBLICATION

## REPORTER-HERALD

State of Colorado  
County of Larimer

I, the undersigned agent, do solemnly swear that the DAILY REPORTER-HERALD is a daily newspaper published in the City of Loveland, County of Larimer, State of Colorado, and which has general circulation therein and in parts of Larimer and Weld Counties; that said newspaper has been continuously and uninterruptedly published for a period of more than six months next prior to the first publication of the annexed legal notice of advertisement, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado; that a copy of each number of said newspaper, in which said notice of advertisement was published, was transmitted by mail or carrier to each of the subscribers of said newspaper, according to the accustomed mode of business in this office.

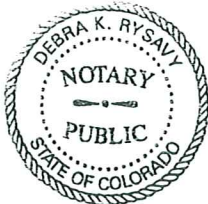
That the annexed legal notice or advertisement was published in the regular and entire edition of said daily newspaper once; and that one publication of said notice was in the issue of said newspaper dated April 13, 2005 .

Andrew M. Uild

Agent

Subscribed and sworn to before me this  
day of April 13, 2005

Debra F. Ripary  
Notary Public



MY COMMISSION EXPIRES  
APRIL 20, 2005  
201 E. 5TH ST.  
LOVELAND,  
COLORADO 80537

FEES \$ 45.36

NOTICE OF PUBLIC HEARING ON INCLUSION  
NOTICE OF PUBLIC HEARING ON EXCLUSION  
NOTICE IS HEREBY GIVEN that on or before April 21, 2005, there is expected to be filed with the Board of Directors of Centerra Metropolitan District No.1 and Centerra Metropolitan District No.2 of Larimer County, Colorado (the "Districts"), a petition(s) praying for the inclusion of certain lands into the District. The Board of Directors shall continue to hear such petitions as needed and take action upon receipt of said petition. Accordingly, notice is hereby given to all interested persons that they shall appear at a public meeting on Thursday, April 21, 2005 at 12:00 noon at 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado, and show cause in writing why such petitions should not be granted.

NOTICE IS HEREBY FURTHER GIVEN that on or before April 21, 2005, there is expected to be filed with the Boards of Directors of Centerra Metropolitan Districts No.1 and Centerra Metropolitan District No.2 (the "Districts"), of Larimer County, Colorado, a petition(s) praying for the exclusion of certain lands out of the Districts. The Boards of Directors shall continue to hear such petitions as needed and take action upon receipt of said petitions. Accordingly, notice is hereby given to all interested persons that they shall appear at a public meeting on Thursday, April 21, 2005 at 12:00 noon at 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado, and show cause in writing why such petitions should not be granted.

The name and address of the petitioners mentioned in the petitions are as follows:

Centerra Properties West, L.L.C.  
2725 Rocky Mountain Avenue, Suite 200  
Loveland, Colorado 80538  
City of Loveland  
500 East Third Street  
Loveland, Colorado 80537

BY ORDER OF THE  
BOARDS OF DIRECTORS  
OF CENTERRA METROPOLITAN DISTRICTS NOS.

1-2  
By: /s/ Dan Herlihey, Secretary  
Publish:  
Loveland Daily Reporter-Herald  
April 13, 2005