

# 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  
March 18, 2010

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, March 18, 2010. 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  
Josh Kane, Assistant Secretary/Treasurer  
Doug Hill, Treasurer & Assistant Secretary  
Tom Hall, Secretary

Also in Attendance:

Jim Niemczyk, McWhinney  
Alan Pogue, Icenogle, Norton, Smith, Gilida, & Pogue  
Brendan Campbell, Pinnacle Consulting Group Inc.  
Carla Hawkins, Pinnacle Consulting Group Inc.  
Bonnie Steele, City of Loveland  
Frank Hempen Jr., City of Loveland (departed meeting at 12:40 p.m.)  
Dave Klockeman, City of Loveland (departed meeting at 12:40 p.m.)  
Phil Weisbach, SEH (Short Elliott Hendrickson, Inc. (departed meeting at 12:40 p.m.)  
Ted Tjerandsen, Wilson & Company (departed meeting at 12:40 p.m.)  
Jim Brady, Wilson & Company (departed meeting at 12:40 p.m.)  
Rick Suer, New Design Construction (departed meeting at 12:40 p.m.)

CALL TO  
ORDER

The meeting was called to order at 12:07 p.m. by Director Kim Perry, President of the Boards, 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 Kane and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the agenda without changes.

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## I-25 INTERCHANGE UPDATES I-25 & CROSSROADS

Mr. Phil Weisbach, SEH, submitted a Monthly Project Progress Briefing and budget worksheets for the I-25 & Crossroads and I-25 & US Hwy 34 Interchanges, a copy of which was submitted with the board packet. He noted that both off ramps were complete. The decision to use heat blankets for the sub-grade work resulted in the project getting back on schedule. The on ramps work will begin in early April.

## I-25 & HWY 34

Mr. Weisbach noted that construction was underway behind the barriers out of traffic flow. With the weather clear work is progressing. While the original upgrades for the aesthetics and landscaping improvements cannot be fully installed, the project team believes there is enough money to complete a significant amount of the improvements with cost savings eliminating the lower wall veneer. \$100,000 has been uncovered due to the removal of shoring cost being eliminated. The team is confident an additional cost savings can be realized and if there is a savings, the irrigation system and plant upgrades can be made. Mr. Weisbach passed out an update schedule for the Board to review. City of Loveland staff will be asking City Council to approve the money for the landscape enhancements. The construction management budget will increase approximately \$20,000 for landscape installation oversight. As long as CDOT gives approval on the structural design in a timely manner, the landscaping enhancement can run concurrently with the road construction portion with completion anticipated for May 2011. Hard elements are scheduled to be in place by the holidays. Mr. Pogue noted to his recollection the Centerra Metropolitan District agreed to maintain the

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enhancements until the end of the MFA term in 2029. CDOT is responsible for snow removal and maintenance of the ramps, roadway and traffic signals according to City of Loveland agreements. Mr. Klockeman thanked the team for everyone effort to fast track the enhancement change order allowing City staff to present to the City Council in an effort not to delay the overall project.

Consideration and Approval of Change Order to Construction Contract to Add Enhancements and Consideration and approval of Third Amendment to Construction and Maintenance IGA for 25-34 Interim Improvements

Upon motion duly made by Director Hill and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the 3<sup>rd</sup> Amendment to the Construction and Maintenance IGA for 25-34 Interim Improvement for enhancements and authorize Kim, President, and Tom, Secretary, to sign the agreement once the City of Loveland approves the IGA.

Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

**RESOLVE** to consent to the use of an additional \$2.5 million from the regional improvement sub-account for construction of the enhancements to the 25-34 interchange once the City of Loveland provides its consent to the use of funds.

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ITEMS FROM THE  
FINANCE DIRECTOR

Financial Report and Approval of Payables

Director Perry thanked Pinnacle for providing additional reports for review of real time payments vs. budget, prior to invoices being submitted for approval to the Board. Mr. Campbell presented for approval the Schedule of Payables for March 15, 2010, in the amount of \$473,509.33, including Wells Fargo checks 4119 through 4147. Mr. Campbell also presented for approval the Schedule of Payables for March 18, 2010, in the amount of \$1,196.57; First National check 3965 to transfer fund to close this account. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the March 2010 Schedule of Payables, in the amounts and check numbers noted above.

Approval for 2009 Audit Exemptions

Mr. Campbell presented the 2009 Applications for Audit Exemption for District Nos. 2, 3, 4 & 5. Upon motion duly made by Director Hill and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the 2009 Applications for Exemption from Audit for District Nos. 2, 3, 4 & 5.

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ITEMS FROM THE  
ATTORNEY

2010 Election Update

Mr. Pogue updated the Board on the 2010 Election noting that no additional candidates had submitted self nomination to run for election. The call to cancel the election and to

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elect the board by acclamation was published in the Reporter Herald today, March 18<sup>th</sup>. Ms. Perry, Mr. Hill and Mr. Kane's terms will expire in May 2014 while Mr. Hardy and Mr. Hall's unexpired portion of the four year terms will be expiring in May 2012.

## Term Sheet for Primary Letter of Credit Provider Discussion Update

Director Kane and Mr. Pogue updated the board on the progress to change the letter of credit provider for the bonds issued in 2008. The district has made it clear that there is to be no termination fee from the existing lead bank in order to move forward with the change in lead banks. The Board directed Mr. Kane, Mr. Pogue, and Ms. Dowswell to continue negotiations with Compass Bank and U.S. Bank to develop a term sheet favorable to the District and to bring the same back to the Board for formal consideration.

## 2010 Ballot Initiatives and Updates on Amendment 60 & 61.

Mr. Pogue updated the Board on the 2010 Ballot initiatives that would limit the capability of Districts to issue debt. There is a group spending millions of dollars to educate the voters in an effort to defeat these amendments. Mr. Pogue suggested that the board could consider developing a strategy to issue additional debt, work with the City of Loveland and Bond Counsel obtaining language which would extend the letter of credit and/or change the variable rate to a fixed rate.

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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.

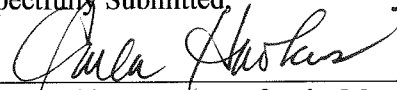
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## ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:15 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting