

**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**

**September 15, 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, September 15, 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:

Kim Perry, Vice President  
Jeff Whiton, Vice President/Assistant Secretary  
Dan Herlihey, Secretary  
Ken Howell, Treasurer

Directors Absent and Excused:

Douglas Hill, President

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
Peggy Dowswell, District Administrator  
Rich Shannon, McWhinney Enterprises, District Manager  
Bret Boulter, McWhinney Enterprises  
Sylvester Mabry, McWhinney Enterprises  
Stan Myers, Northern Engineering  
Jeff Barnes, City of Loveland  
Dwayne Walker, Empire Construction Management  
Jason Carroll, Clifton Gunderson

CALL TO ORDER

The meeting was called to order by Director Perry, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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 August 18, 2005 meeting were presented. The minutes need to be amended on page 3 – Engineering Report. To clarify, Mr. Stan Myers, Northern Engineering, stated that 60% of the design for the Centerra Parkway underpass has been submitted to the Railroad and will be submitted to the PUC at a later date. 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 August 18, 2005 meeting, as amended.

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2004 AUDIT  
APPROVAL

As the audit was yet complete, this item was tabled.

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PAYABLES

Ms. Dowswell presented the Schedule of Payables as of September 1, 2005 totaling \$72,680.00, September 8, 2005 totaling \$29,471.25, and September 14, 2005 totaling \$2,363,038.89 including checks 1425 through 1464, noting that ck#1425 was voided. The Board reviewed the payables and upon motion duly made by Director Howell and seconded by Director Perry, it was unanimously

**RESOLVED** to ratify and approve the Schedules of Payables noted above, in the amounts noted above, including checks 1425 through 1464.

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FINANCIAL  
REPORT

Mr. Carroll presented the Financial Statements as of July 31, 2005 for District No. 1. He also presented the Schedule of Cash Status as of September 15, 2005, noting it details the ending balances in all of the cash accounts, as well as the detail of Developer advances totaling \$2.8 million to date. The Board discussed presenting the Revenues and Expenditures with a “year-to-date” column for comparison, rather than the comparison to annual. Mr. Carroll noted he would be happy to spread the budget on a monthly basis for reporting purposes. After further discussion and upon motion duly made by Director Whiton and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Financial Statements as of July 31, 2005 as presented.

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MONTHLY PAYMENT  
CERTIFICATION

Ms. Dowswell presented the Monthly Payment Certificate for Centerra Metropolitan District No. 1 to American National Bank for July through August 2005, for administrative and operation costs. Upon motion duly made by Director Perry and seconded by Director Whiton, it was unanimously

**RESOLVED** to approve the Payment Certificate for July-August 2005, and authorize Director Hill to review and execute the Certificate.

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MYERS/TREND  
BID AWARD

Mr. Bret Boulter noted that the contractors had asked for time to respond to the bid, so this item was deferred to the next board meeting.

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CONSTRUCTION  
MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that the construction on 2B was in ahead of schedule and the roads open soon. He also noted that landscaping was progressing well also. Mr. Walker responded to board questions that there was a shortage of concrete, which could effect future curb and gutter work. All concrete is being rationed between projects through out the state. Mr. Walker thanked Ms. Dowswell for processing payments timely, which puts the Centerra projects and the District in good relations with the contractors.

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ACQUISITION OF  
OF WATER RIGHTS

Mr. Shannon, District Manager, reported that the District will require approximately 125 acre feet more of water in the near future to meet its landscape watering commitments. He noted that this purchase would be at a price of \$9,800 per acre foot, due to the current market conditions. Recently the Developer has been able to purchase water at \$10,000/af., so the \$9,800/af is reasonable. Upon motion duly made by Director Herlihey and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the purchase of up to 125 acre feet at \$9,800 per acre foot from a McWhinney entity, and direct legal counsel to draw up the purchase and sale agreements as needed.

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DISTRICT MANAGER  
REPORT

Mr. Shannon, District Manager, presented the Bond Job Cost Summary, noting that approximately \$3.4 million of bond proceeds was not allocated to specific projects, after allowing for completion of all bond projects. He noted that it appears the District can reimburse the Developer out of unallocated bond proceeds for the approximate \$2.8 million due the Developer at 9/30/05. The bond proceeds can only reimburse capital advances, not those for operating and

maintenance costs. Mr. Shannon also reported that a change order to the Landscape contract was needed to complete the improvements near PF Chang's. Upon further discussion and motion duly made by Director Howell and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the approximate \$350,000 change order to the Landscape contract for the park near PF Chang's.

Mr. Shannon reported that he is working with the City on PIF collections and that he and the District's consultants are working with the Larimer County Assessor's office regarding the assessed values for the Shops at Centerra.

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APPROVAL OF LAND-  
SCAPE MAINTENANCE  
AGREEMENT

The District has negotiated with the Centerra Commercial Owners Association for maintenance of existing and future landscape areas that would otherwise be the responsibility of the District. The negotiated agreement provides an annual update of additional areas constructed and needing maintenance. Director Perry noted she would abstain from the vote, as she is the President of CCOA. Upon motion duly made by Director Whiton and seconded by Director Herlihey, with Director Perry abstaining, it was unanimously

**RESOLVED** to approve the District agreement with CCOA, subject to revisions by the attorneys for landscape maintenance.

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LEGAL REPORT

Mr. Alan Pogue, legal counsel, reported that the Greeley Loveland Irrigation Company (GLIC) had approved the plaza area over the ditch at the Lifestyle Center. The Interim easement has been re-executed by Foley's and we should be receiving it shortly. He has just received comments from Mr. Bernstein on the Sanitary Sewer Easement and will respond promptly. He noted that the promissory notes between the District and the Developer need to be updated by end of year and a new agreement be put into place for next year. The exclusion of the 40' strip along the eastern edge of Districts No. 2 and No. 4 was approved by City Counsel, which amended the URA boundaries and gave the Districts permission to exclude. The District will hold their public exclusion hearings at a Special Meeting on September 29<sup>th</sup>.

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ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, is working on coordinating the construction of North Centerra Parkway under the Railroad. He also noted the lift station design was almost complete and will be submitted to the State and City.

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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.

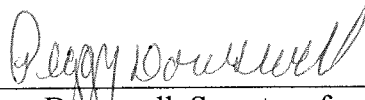
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ADJOURNMENT

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