

# 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

January 17, 2008

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, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538; at 12:00 Noon Thursday, January 17, 2008. 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  
Dan Herlihey, Secretary  
Ken Howell, Treasurer  
Phil Hodgkinson, Vice President/Assistant Secretary

Directors in Absent and Excused:

Rocky Scott, President

Also in Attendance:

Rich Shannon, McWhinney, District Manager  
Bret Boulter, McWhinney  
Jim Niemczyk, McWhinney  
Jay Hardy, McWhinney  
Christine Harpel, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilda, & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Diane Lunt, Pinnacle Consulting Group Inc.  
Dwayne Walker, Empire Management, Inc.  
Stan Myers, Northern Engineering

# RECORD OF PROCEEDINGS

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Bonnie Steele, City of Loveland

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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.

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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, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed, 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 and decided to table discussion on the Approval of Records Retention and Inspection Policy Resolution. Upon motion duly made by Director Herlihey, seconded by Director Howell, it was unanimously

**RESOLVED** to approve the agenda as revised.

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APPROVAL OF  
MINUTES

The Minutes of the December 20, 2007 meeting were presented and approved upon correction of closing quotation marks (“) on page 4. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the minutes from December 20, 2007 as amended and to ratify actions by District Manager during the month.

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PAYABLES

Ms. Dowswell presented the Schedule of Payables as of January 17, 2008, in the amount of \$198,602.57 including checks 3156 through 3177. The Board

## RECORD OF PROCEEDINGS

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reviewed the payables and upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the January 17, 2008 Schedule of Payables noted above, in the amounts and check numbers noted above.

Ms. Dowswell noted that the Home State account was closed as of December 31, 2007.

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### 2007 AUDIT

Ms. Dowswell noted she had received a proposal from Jaspers + Hall, P.C., formerly Reynolds, Henrie & Associates, P.C., for the completion of the 2007 Audit for District No. 1. Ms. Dowswell anticipates receiving additional proposals. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to appoint Director Howell and District Administrator Peggy Dowswell as the audit committee and to authorize them to select the auditor for District No. 1 for the 2007 calendar year.

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### MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted that it was necessary to submit a Monthly Payment Certificate to American National Bank for December 2007 to fund administrative and operation costs, in the amount of \$33,824.00. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was

**RESOLVED** to approve the Monthly Payment Certificate in the amount noted above and authorize Director Howell to execute the Certificate.

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### QUARTERLY BNP COMPLIANCE CERTIFICATE

Ms. Dowswell presented the 4<sup>th</sup> Quarter BNP Compliance Certificates for Centerra Metropolitan District No. 1. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to approve the 4<sup>th</sup> Quarter Compliance Certificates and authorize Director Howell to execute the Certificates.

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### EXTENSION TO MRES MANAGEMENT AGREEMENT

Mr. Pogue noted that the MRES District Management Agreement needed to be extended for fiscal year 2008 with the amount not to exceed \$660,000.00. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

# RECORD OF PROCEEDINGS

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**RESOLVED** to ratify the extension to the MRES Management for fiscal year 2008 as noted above.

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## BOND ISSUANCE UPDATE

Mr. Shannon, District Manager, presented the Board with an update on the progress of Bond Issuance. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to authorize Director Perry to execute the Bond Term Sheet with Compass Bank subject to review and approval by Director Howell.

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## ANNUAL ADMIN RESOLUTION

Mr. Pogue presented the Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make all necessary filings. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the Annual Administrative Resolution; to reaffirm the current slate of officers; to authorize the District to pay Director fees; to ratify approval of all the Board Meeting Minutes in 2007; to appoint Icenogle, Norton, Smith, Blieszner, Gilda, & Pogue as counsel; and to appoint Pinnacle Consulting Group Inc. as district administrator.

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## ELECTION RESOLUTION

Mr. Pogue presented the Resolution for Election on May 6, 2008. Directors Scott and Herlihey terms expire. Mr. Pogue will publish a Call For Nominations in the Reporter Herald. The resolution allows for the cancellation of the May election if there are not more candidates running for office than there are open positions on the board. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the Joint Resolution regarding May 6, 2008 Election.

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## LEGAL REPORT

Mr. Pogue, legal counsel, noted that he had drafted a First Amendment to the Vacant Land Contract to Buy and Sell Real Estate that modified the Indemnification Clause, and this document will be attached as Exhibit B to the original Vacant Land Contract for each of the Board Members. Each Board Member signed the Amendment.

# RECORD OF PROCEEDINGS

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## PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no comment, this portion of the meeting was closed.

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## EXECUTIVE SESSION

Mr. Pogue advised the Board that he has received a proposed management agreement from Chapungu Heritage Trust for joint management of the Chapungu Sculpture Park at Centerra for 2008. Mr. Pogue advised the Board that it was permitted, upon compliance with requisite statutory procedures, for the Board to discuss the proposed management agreement in Executive Session for the purpose of receiving legal advice on specific legal questions, pursuant to Section 24-6-402(4)(b), C.R.S., and for the purpose of determining a position relative to matters that may be subject to negotiations, developing a strategy for negotiations, and instructing negotiators, pursuant to Section 24-6-402(4)(e), C.R.S.

Upon motion by Director Herlihey, seconded by Director Howell, it was unanimously

**RESOLVED** to convene an Executive Session, pursuant to Section 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice on specific legal questions related to the management agreement; and, pursuant to Section 24-6-402(4)(e), C.R.S., for the purpose of determining a position relative to matters subject to negotiations, developing a strategy for negotiations, and instructing negotiators, all with respect to the proposed management agreement.

Vice President Perry reported: "It is January 17, 2008 and the time is 12:36 p.m. I am the presiding officer of the Regular Meeting of the Board of Directors of the Centerra Metropolitan Districts Nos. 1-4. As required by the Colorado Open Meetings Law, the Executive Session is being recorded."

Present at the Executive Session:

Kim Perry, Dan Herlihey, Ken Howell, Phil Hodgkinson, Alan Pogue, Bret Boulter, Jim Niemczyk, Rich Shannon, Jay Hardy, Christine Harpel, Peggy Dowswell, Carla Hawkins, Diane Lunt.

This is an Executive Session for the following purposes:

To receive legal advice on specific legal questions pursuant to Section 24-6-402(4) (b), C.R.S., and to determine positions relative to matters subject to negotiations, to develop a strategy for negotiations, and to instruct negotiators, pursuant to Section 24-6-402(4) (e), C.R.S., all related to the proposed management agreement with Chapungu Heritage Trust for management of the Chapungu Sculpture Park at Centerra for 2008.

## RECORD OF PROCEEDINGS

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The Board was advised to confine all discussions to the stated purpose of the Executive Session. The Board was further advised that if at any point in the Executive Session, any participant believes that the discussion is beyond the proper scope of the Executive Session, such participant should interrupt the Executive Session and make an objection.

The Executive Session was recorded, pursuant to the Colorado Open Meetings Law.

The Executive Session concluded at 1:08 p.m.

Present at the Executive Session at conclusion: Kim Perry, Dan Herlihey, Ken Howell, Phil Hodgkinson, Alan Pogue, Bret Boulter, Jim Niemczyk, Rich Shannon, Jay Hardy, Christine Harpel, Peggy Dowswell, Carla Hawkins, Diane Lunt,. (Dan Herlihey departed the Executive Session at 1:03 p.m.)

Mr. Pogue advised the Board that if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to convene the Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, that such participant should state their concerns for the record.

No objections were stated.

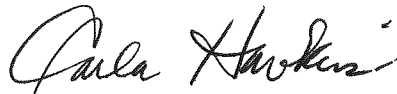
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### ADJOURNMENT

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