

**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**

**October 20, 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, October 20, 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  
Ginger Dodge, McWhinney Enterprises  
Stan Myers, Northern Engineering  
Jeff Barnes, City of Loveland  
Dwayne Walker, Empire Construction Management  
Carla Hawkins, Pinnacle Consulting Group, Inc.

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 September 15, 2005 and September 29, 2005 meeting were presented. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

**RESOLVED** to approve the minutes of the September 15, 2005 and September 29, 2005 meeting, as presented.

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PAYABLES

Ms. Dowswell presented the Schedule of Payables as of September 19, 2005 totaling \$205,280.00, September 30, 2005 totaling \$50,000.00, October 14, 2005 totaling \$491,650.00 and October 18, 2005 totaling \$2,238,737.42 including checks 1465 through 1519. The Board reviewed the payables and upon motion duly made by Director Howell and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the Schedules of Payables noted above, in the amounts noted above.

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PRELIMINARY 2006  
BUDGETS

Ms. Dowswell presented the Preliminary 2006 Budgets. She noted that she would be meeting with the County Assessor's Office to clarify the Assessed Valuation for District No. 2, as there is question about the allocation to the TIF (tax increment financing). The budgets anticipate that there will be \$18 Million spent toward Capital Projects in 2006. The mill levy for District No. 2 is required at 35 mills. Other items for discussion included initiating new developer Funding and Reimbursement Agreements for Capital. Counsel, Mr. Pogue, agreed to draft the documents for review and approval by the Board at the next meeting. The management agreement for District services by McWhinney Real Estate Services, Inc. is due to expire at the end of the year.

Upon motion duly made by Director Howell and seconded by Director Whiton, it was unanimously

**RESOLVED** to approve a one-year renewal of the District Management Services Agreement with McWhinney Real Estate Services, Inc. for the 2006 calendar year, and ratify the renewal for the calendar year of 2005.

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ADVANCE &  
REIMBURSEMENT  
AGREEMENT

The public improvements project for landscaping and signage along Boyd Lake and US Hwy 34 is expected to begin in early 2006. Anticipated improvements are estimated at \$440,000. Upon motion duly made by Director Herlihey and seconded by Director Whiton, it was unanimously

**RESOLVED** to approve the Advance and Reimbursement Agreement with High Plains Neighborhood Center, LLC up to \$500,000 for 2006.

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DISTRICT  
MANAGER'S  
REPORT

Ms. Dowswell presented and reviewed the Bond Cost Job Summary and reviewed. Other future projects were discussed such as expanding Centerra Parkway to the north from the railroad to Crossroads. The anticipated cost for this project is \$8.2 million of which an estimated \$3.7 could be recovered from bond proceeds. It is anticipated that this improvement will be bid in late January 2006. Mr. Shannon noted that recent capital improvements had been completed within budget and had been well managed by the engineer and construction manager and their teams.

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LEGAL REPORT

Mr. Alan Pogue, legal counsel, reported that Developer Advance Agreements would need to be renewed for 2006. Three Agreements for SMP4 (Trend), CPW and HPMC will be drafted by legal counsel and will be presented to the Board for review and approval at the next meeting. The maintenance agreement with the Centerra Commercial Owners Association (CCOA) has been finalized and was delivered to them for their final approval and execution. The Board discussed warranty periods for improvements and when snow removal should begin by CCOA. Mr. Boulter was directed to develop a turnover process for maintenance and snow removal to the CCOA, once the District as completed construction. The CPW Easement Agreement for the landscape buffer areas has been drafted and is waiting for execution.

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CONSTRUCTION  
MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that construction should be completed and ready for opening day October 27<sup>th</sup>. Grading work behind PF Changs' is slated for this winter. Centerra Parkway was opened September 30<sup>th</sup>. Mr. Walker noted that numerous people had worked very hard on all of the

projects, including the engineering team. The Board thanked Mr. Walker and Mr. Myers for their efforts.

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ENGINEER'S REPORT

Mr. Stan Myers, District engineer, noted that plans for the Interchange Lift Station would be submitted to the State this month and the underpass design had been sent to the PUC earlier in the month. The PUC has up to 30 days to make comments. Director Perry asked that a temporary pedestrian access along the railroad tracks be requested of the City of Loveland and the railroad. Mr. Myers agreed to check into this. Mr. Pogue also noted he would follow up with the City of Loveland's Attorney, Mr. John Duval. Director Herlihey noted that the plats for Myers Group 3<sup>rd</sup> subdivision and the RMV 14<sup>th</sup> Subdivision had been completed and he will be getting District sign off on the plat. Upon motion duly made by Director Herlihey and seconded by Director Perry, it was unanimously

**RESOLVED** to approve the plats and authorize Director Hill as president to sign the plats on behalf of the district.

Director Herlihey also noted that the City of Loveland is looking at increasing the system impact fees for irrigation, which could possibly be a 200% increase. The implementation has been delayed and he agreed to keep the Board apprised of new developments.

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PUBLIC  
COMMENTS

The Board opened the meeting to Public Comments. Jeff Barnes, City of Loveland, noted that the sales staff had been out checking receipts for new retailers and they were pleased that the majority of retailers were in compliance regarding PIF compliance. Upon receiving no further 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,



Carla Hawkins, Secretary for the Meeting