

# 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  
October 16, 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, Loveland, Colorado 80538, at 12:00 Noon Thursday, October 16, 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:

Dan Herlihey, Secretary  
Joe Knopinski, Vice President & Assistant Secretary  
Doug Hill, Treasurer & Assistant Secretary

Directors Absent:

Kim Perry, President (Absence Excused)  
Phil Hodgkinson, Assistant Secretary (Absence Excused)

Also in Attendance:

Bret Boulter, McWhinney  
Christine Harpel, McWhinney  
Wendy Messinger, McWhinney  
Sylvester Mabry, McWhinney Real Estate Services  
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilida, & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Rich Shannon, Pinnacle Consulting Group Inc.  
Diane Lunt, Pinnacle Consulting Group Inc.  
Bonnie Steel, City of Loveland  
Suzanne Janssen, City of Loveland

CALL TO  
ORDER

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The meeting was called to order at 12:30 p.m. by Director Knopinski, Vice President of the Board, 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

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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 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 and decided to move item "Chapungu Sculpture Park Security Strategy" after item "Approval of September 18, 2008 Minutes" and to add item 7b. Final Approval of Amendment to I-25/US 34 Final Design IGA. Director Knopinski declared the agenda was approved.

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## APPROVAL OF MINUTES

The Minutes of the September 18, 2008 meeting were presented and approved, subject to the replacement of "Maintenance" with "Final Design"(top of page 3, line 2). Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the minutes from September 18, 2008 as presented, subject to the correction noted above.

There were no actions or representations of the District by the District Manager to ratify since the September 18, 2008 Board Meeting.

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## CHAPUNGU SCULPTURE PARK SECURITY STRATEGY

Mr. Mabry presented for the Board's consideration two security strategy recommendations to supplement the current security patrols within the Chapungu Sculpture Park. The first recommendation is to install a check-point system called Pulse Star, a portable data collector that reads iButtons collecting location data as the security guard patrols the park and stops at each check-point. The Pulse Star system is estimated to cost \$6,500. The second recommendation is to install high definition security cameras by Avigilon at an estimated cost of \$125,000 to include equipment and installation. The Board discussed camera coverage and concentration on sculptures, signage informing Park visitors of a security presence, contractual obligations with the curator, maintaining the best value for the Park and sculptures, future expected visitor traffic, the consideration of pedestrian lighting, and comparison security findings presented by Ms. Janssen with the City of Loveland. Mr. Pogue and

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Mr. Jay Hardy, McWhinney, will present and discuss the security strategy findings with Chapungu Heritage Trust before approving additional security measures above the installation of the Pulse Star system. Upon motion duly made by Director Hill and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the installation of the Pulse Star system at an estimated cost of \$6,500.

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## FINANCIAL REPORT AND APPROVAL OF PAYALBES

Ms. Dowswell presented the remaining Schedule of Payables for September 18, 2008, in the amount of \$18,908.39 including check 3482, the Schedule of Payables for October 16, 2008, in the amount of \$419,678.77 including checks 3483 through 3516, and the MRES invoice 011293 in the amount of \$40,257. Mr. Shannon presented the following five Wilson & Company invoices: invoice 9098 \$126,673.34, invoice 9261 \$14,926.32, invoice 9096 \$11,142.80, invoice 9260 \$71,358.99, and invoice 9097 \$55,033.28. Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the remaining September 18, 2008 Schedule of Payables, the October 16, 2008 Schedule of Payables, the MRES invoice, and the Wilson & Company invoices, as noted above, in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of September 30, 2008 and updated as of October 15, 2008, and answered questions from the Board.

Ms. Dowswell presented the amended 2008 Budget for District No. 1 and proposed the 2009 Budget with discussion of funds, revenues and expenses, and answered questions from the Board.

Mr. Shannon answered questions related to the Chapungu Park 2009 Budget with respect to ongoing development and future landscape development.

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## MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted the standard procedure of submitting a monthly payment request to the trustee to fund September 2008 administrative and operation costs from the September Schedule of Payables, in the amount of \$167,000. Upon motion duly made by Director Hill and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the monthly payment request in the amount noted above and authorize Ms. Dowswell to execute the Certificate.

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## DISTRICT MANAGER'S REPORT

Mr. Shannon presented the First Amendment to the I-25/US 34 Final Design IGA to allow the total amount not to exceed \$875,000. Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

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**RESOLVED** to approve the First Amendment to the I-25/US 34 Final Design Agreement allowing the amount not to exceed 875,000.

Mr. Shannon presented for the Board's consideration and acceptance, as a result of a review and recommendation by Pinnacle Consulting Group Inc., the Developer Costs for Chapungu Park and addition to the Note to the Developer in the amount of \$3,226,926. Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to accept the Developer Costs for Chapungu Park and reimburse CPW under the existing reimbursement agreement up to \$3,212,614.49.

Mr. Shannon reviewed the 2009 Budget handouts for maintenance in preparation for final discussion at the next Board meeting.

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## LEGAL REPORT

Two items associated with the creation of the Flex URA were discussed.

Mr. Pogue presented for the Board's consideration and approval the Intergovernmental Agreement Regarding the Rebate of Tax Increment Revenues with the City of Loveland which sets forth a rebate of the City's mill levy on residential property within Centerra. Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the Intergovernmental Agreement Regarding the Rebate of Tax Increment Revenues with the City of Loveland.

Mr. Pogue presented for the Board's consideration and approval the First Amendment to Reimbursement Agreement and Compass Bank in order to amend certain provisions of the Reimbursement Agreement to make it consistent with certain provisions in the documents related to the URA Plan Modification. Upon motion duly made by Director Hill and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the First Amendment to Reimbursement Agreement with Compass Bank.

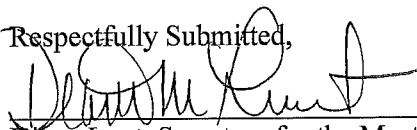
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## ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:19 p.m.

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

Respectfully Submitted,



Diane Lunt, Secretary for the Meeting