

# 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

December 20, 2007

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, December 20, 2007. 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  
Phil Hodgkinson, Vice President/Assistant Secretary

Directors in Absent and Excused:

Rocky Scott, President  
Ken Howell, Treasurer

Also in Attendance:

Rich Shannon, McWhinney, District Manager  
Bret Boulter, McWhinney  
Jay Hardy, McWhinney  
Christine Harpel, McWhinney  
Alan Pogue, Pogue & Early, P.C.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Diane Lunt, Pinnacle Consulting Group Inc.  
Dwayne Walker, Empire Management, Inc.  
Stan Myers, Northern Engineering  
Bonnie Steele, City of Loveland

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 discuss the consideration and Approval of the Operating Agreement for Chapungu Sculpture Park as the last agenda item prior to adjournment. Upon motion duly made by Director Hodgkinson, seconded by Director Herlihey, it was unanimously

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

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## APPROVAL OF MINUTES

The Minutes of the November 15, 2007 meeting were presented. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the minutes from November 15, 2007 as pre stated and to ratify actions by District Manager during the month.

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## PAYABLES

Ms. Hawkins presented the Schedule of Payables as of December 20, 2007, in the amount of \$227,847.69 including checks 3124 through 3155. The Board reviewed the payables and upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the December 20, 2007, Schedule of Payables noted above, in the amounts and check numbers noted above.

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## MONTHLY PAYMENT CERTIFICATION

Ms. Hawkins noted that it was necessary to submit a Monthly Payment Certificate to American National Bank for November 2007, to fund administrative and operation costs, in the amount of \$79,985.00. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was

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**RESOLVED** to approve the Monthly Payment Certificate in the amount noted above and authorize Director Herlihey, as Secretary, to execute the Certificate.

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BOND ISSUANCE  
UPDATE

Mr. Shannon, District Manager, presented the Board with an update on the progress of Bond Issuance. He stated that BNP had withdrawn its interest but there were other possible banks interested. One very likely candidate is Compass Bank.

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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 the previously approved budget amount. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

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

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DISTRICT MANAGER

Ms. Hawkins noted that the Mill Levy of 52.6 for District 2 was certified on Friday December 14, 2007.

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LEGAL REPORT

Mr. Pogue, legal counsel, noted that certain deadlines associated with the 2008 Board Member Elections slated for May 6, 2008 would begin to occur in January 2008. Directors Scott and Herlihey terms expire. Mr. Pogue will present the election resolution at the January Board Meeting.

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ENGINEER  
REPORT

Mr. Stan Myers noted that drawings for North Centerra Parkway had been submitted to the City of Loveland.

Mr. Dwayne Walker noted that acceptance of the drawings was the last step needed to obtain approval and Letters of Acceptance for water, sewer, and street improvements.

Mr. Pogue noted that the right-of-way would be formally dedicated to the City in late January of 2008.

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OTHER  
MATTERS

Mr. Shannon noted that efforts had begun to identify the priorities, new construction projects, and the capital needed for infrastructure within each parcel.

Mr. Pogue noted a work session with City of Loveland staff to discuss Districts and the specifics of the MFA was slated for early February.

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Director Perry thanked all team members for doing a great job in 2007 and thanked them for their efforts.

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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 Hodgkinson, 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 December 20, 2007 and the time is 12:30 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, Phil Hodgkinson, Alan Pogue, Bret Boulter, Rich Shannon, Jay Hardy, Christine Harpel, 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.

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

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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 1:40 p.m.

Present at the Executive Session at conclusion: Kim Perry, Dan Herlihey, Phil Hodgkinson, Alan Pogue, Bret Boulter, Rich Shannon, Christine Harpel, Carla Hawkins, Diane Lunt, Peggy Dowswell. (Jay Hardy departed the Executive Session at 1:20 p.m.; Peggy Dowswell joined the Executive Session at 1:00 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.

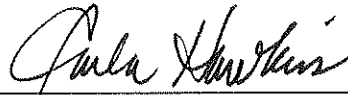
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### ADJOURNMENT

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