

RECORD OF PROCEEDINGS

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
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD
January 19, 2012

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4, and Centerra Metropolitan District No. 5 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, January 19, 2012. 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, President
Jay Hardy, Vice President & Assistant Secretary
Julie Den Herder, Assistant Secretary/Treasurer
Josh Kane, Treasurer & Assistant Secretary
Tom Hall, Secretary

Also in Attendance:

Jim Niemczyk, McWhinney
Wendy Messinger, McWhinney
Alan Pogue, Icenogle, Seaver & Pogue
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group Inc.
Jason Woolard, Pinnacle Consulting Group Inc.
Bonnie Steele, City of Loveland
Ralph Trenary, City Council Member, Ward 4

CALL TO
ORDER

The meeting was called to order at 12:07 p.m. by Director Kim Perry, President of the Board, 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, 4, and 5.

CONFLICT OF

RECORD OF PROCEEDINGS

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.

AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the agenda with changes.

APPROVAL OF MINUTES

The Minutes of the November 17, 2011 regular meeting were presented. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the minutes from November 17, 2011 as amended.

There were no actions or representations of the District by the District Manager to ratify since the last Board Meeting.

I-25 INTERCHANGE UPDATES I-25 & CROSSROADS

Ms. Hawkins gave an update stating Mr. Hempen feels very confident that final acceptance and approval by CDOT will be by the end of February.

I-25 & HWY 34

Mr. Niemczyk gave an update stating the I25/34 emergency repair work was complete. One last thing to be done is the replacement of topsoil and this will be done this spring as weather permits. The City of Loveland is working with the truck insurance carrier. The savings for construction of project is estimated to be \$350,000. He also remarked that this project had won the American Public Works Award for Best Public Project in the medium size community category.

KENDALL PARKWAY UNDERPASS

Mr. Niemczyk stated that the City is working with a new CDOT project manager and comments should be back from CDOT by the end of the month.

RECORD OF PROCEEDINGS

PARCEL 222 SAVANNA

Mr. Niemczyk stated that Mylar plans should be completed by the end of the month allowing the District to file for a permit in early February. It will take a four week process to bid the project and award the contract for a start date of early March. The onsite user plans to start in early February. Earthwork can begin in March with an estimated six to eight week construction time frame.

HYDRO ZONE PROJECT

Mr. Niemczyk stated that research done on the hydro zone study proved the District could save money on water dedications to the City. He is currently working with City staff to obtain credits for future water dedications. It is estimated that the District has dedicated an excess of \$397,000 on the water east of I-25 within Centerra.

ITEMS FROM THE FINANCE DIRECTOR

Financial Report and Approval of Payables

Ms. Dowswell presented for approval the Schedule of Payables for December 2011 and in the amount of \$207,610.48 including checks 4727 through 4750 and for January 11, 2012, in the amount of \$83,273.75, including Wells Fargo checks 4751 through 4772. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to ratify the December Schedule of Payables and approve the January 2012 Schedule of Payables, in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of December 31, 2011, updated as of January 13, 2011, and answered questions from the Board. She also reviewed the revenues and expenditures statement as of December 31, 2011 with the Board.

Ratify Annual Release Certificate and PIF/SO Tax Release

Upon motion duly made by Director Kane and seconded by Director Hardy it was unanimously

RESOLVED to ratify the release of the Annual Certificate and PIF/SO Tax funds.

Ratify Approval of the 4th Quarterly Loan Compliance Reports

Upon motion duly made by Director Kane and seconded by Director Hall it was unanimously

RESOLVED to ratify release of the 4th Quarterly Loan Compliance Reports.

ITEMS FROM THE DISTRICT MANAGER

2012 SERVICE AGREEMENTS

HPEC Landscaping Maintenance Addendum – 2012

Ms. Hawkins presented for the Board's consideration and approval the 2012 HPEC Landscaping Maintenance Addendum. She noted that HPEC would be maintaining the Old Chicago detention area for the District. There will also be tree replacements within Chapungu Park. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RECORD OF PROCEEDINGS

RESOLVED to approve the 2012 HPEC Landscape Maintenance Addendum.

Gregory Electrical & Lighting Maintenance Addendum – 2012

Ms. Hawkins presented for the Board's consideration and approval the 2012 Gregory Electric Addendum noting that Gregory had included I25/34 lighting inspections on a quarterly basis. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the 2012 Gregory Electric Addendum.

ValleyCrest Landscaping Maintenance Addendum – 2012

The 2012 ValleyCrest Landscaping Maintenance Addendum was presented for the Board's consideration and approval. ValleyCrest will begin irrigation monitoring during the 2012 season. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the 2012 ValleyCrest Maintenance Addendum.

Chapungu Park Maintenance Addendum – 2012

The 2012 Chapungu Park Maintenance Addendum between the district and MRES was presented for the Board's consideration. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the 2012 Chapungu Park Maintenance Addendum.

Project Management Addendum – 2012

Ms. Hawkins presented for the Board's consideration and approval the 2012 Project Management Addendum between the district and MRES. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the 2012 MRES Project Management Addendum.

DaVinci Sign Agreement

Ms. Hawkins presented for the Board's consideration and approval the DaVinci Sign Agreement. DaVinci will replace the zinc panel signage throughout the park. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the DaVinci Sign Agreement for replacement of zinc panels in Chapungu Park.

RECORD OF PROCEEDINGS

ITEMS FROM THE ATTORNEY

2012 Election Update

Mr. Pogue updated the Board on the 2012 Election noting that the call for nominations will be published in February. Mr. Hardy and Mr. Hall's terms are expiring, and each will be on the ballot for full four year terms while Ms. Den Herder was appointed to fill out the unexpired portion of four year terms ending in May, 2014, and pursuant to state law, these positions are on the ballot for the remaining two years of each respective term.

Funding Agreement and Capital Projects

Mr. Pogue stated that the District Board would need to meet to review the bids for Parcel 222 Savanna and award the contract. A special meeting in early March may need to be called to address funding and the budget for this project.

BOARD MEMBER & OTHER COMMENTS

Director Perry noted that ValleyCrest Landscape had submitted the Centerra Landscape Maintenance project for the overall best maintenance and Centerra was chosen. She also stated that she and ValleyCrest worked with Colorado State University on the flower design for 2012.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Ms. Steele stated that the City planned to make a decision soon on the Finance Director position at the City. Mr. Trenary stated that he had attended the HPEC open house and was impressed with the level of expertise within the organization. He is very pleased to see the District working on the landscape water use as he has been very vocal with city staff on green space requirements. He also stated that the news is good with business opportunities within Centerra. He thanked the Board for allowing him to participate. Director Hall noted that a business owner was hiring and it wasn't until he advertised that the company was within Centerra, that he received numerous applications. Upon no further comments, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:53 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting