

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
February 16, 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, February 16, 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
Alan Pogue, Icenogle, Seaver & Pogue
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Shelly Goldrich, 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 12:05 p.m. by Director Kim Perry, President, 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.

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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.

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.

APPROVAL OF MINUTES

The minutes of the January 19, 2012 regular meeting were presented. Upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the January 19, 2012 minutes.

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

I-25 & HWY 34

Mr. Niemczyk stated that a Monthly Progress Briefing Final Summary will be presented next month. There were no updates on the insurance claim process at this time.

KENDALL PARKWAY UNDERPASS

Mr. Niemczyk stated that the City is working with a new CDOT project manager and are working on getting the new project manager familiar with the project.

PARCEL 222 SAVANNA

Mr. Niemczyk stated all easements have been dedicated. The bidding process should be complete in the next 2 weeks. The project should take 4-5 months and will coincide with the site user construction.

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ITEMS FROM LEGAL COUNSEL

Advance and Reimbursement Agreement

Mr. Pogue presented an Advance and Reimbursement Agreement with Centerra Commercial, LLC for \$1,140,000. Upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the Advance and Reimbursement Agreement with Centerra Commercial, LLC.

2012 Election Update

Mr. Pogue updated the Board on the 2012 Election noting that the call for nominations was published in the February 16, 2012 edition of the Reporter-Herald. 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 a four year term ending in May, 2014, and pursuant to state law, this position is on the ballot for the remaining two years, expiring in 2014. The deadline for submitting nomination forms is March 2, 2012.

Legislative Update

Mr. Pogue brought to our attention a house bill sponsored by State Rep. Glenn Vaad, R-Mead. It allows districts to expand their service area into a new county only with approval of the board of the county commissioners. County commissioners cannot approve property in the expanded service area if the owner doesn't consent to the inclusion. It also changed the existing requirement for submitting a petition to form a metropolitan district to require the signatures of the greater of 90% or 200 eligible electors within the proposed district boundaries. The most harmful language in the bill is that it amends the definition of "Eligible Elector" to not only include a person or person's spouse who owns taxable real or personal property situated within the boundaries of the special district but also the service area of the special district. Rich and Alan have also reviewed potential new legislation with regards to TIF rules. This bill is being drafted by State Rep. Dickey Lee Hullinghorst, D-Boulder, and Morgan Carroll, D-Aurora, in an attempt to increase transparency and accountability of TIF projects. The bill is intended to provide a more structured definition of TIF and offer guidelines on how reports related to TIF projects should be filled out and require annual reports for projects within TIF districts. The hearing for the Bill is scheduled for February 20, 2012 at 1:30 pm.

ITEMS FROM THE FINANCE DIRECTOR

Financial Report and Approval of Payables

Ms. Dowswell presented for approval the Schedule of Payables through February 29, 2012 in the amount of \$102,186.37; including checks 4773 through 4797. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the February Schedule of Payables, in the amounts and check numbers noted above.

2012 Amended Budget Hearing and Adoption of Resolutions

Director Perry opened the 2012 Amended Budget Hearing to the public for Centerra Metropolitan District No. 1. Mr. Pogue reported that notice of the hearing had been

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published on February 14, 2012 in accordance with the state budget law. Ms. Dowswell reviewed the capital fund budget with the Board and explained the required amendment due to Savanna public infrastructure construction expenses. There being no public input, the public hearing portion of the budget was closed. The amended budget by district is as follows:

District No. 1, Service District:
Capital Fund Expenditures: \$2,560,195

After further review and discussion, and upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2012 Budget and Appropriate budgeted funds and approve all other documents related to the Amended 2012 capital fund budget for District No. 1.

ITEMS FROM THE DISTRICT MANAGER

Ms. Hawkins stated the District map, contact information and budgets were filed with the State as per statute.

2012 SERVICE AGREEMENTS- ValleyCrest Landscaping Maintenance Contract

Ms. Hawkins noted ValleyCrest's bid showed a 3% increase in the third year of the contract. The additional increase will remain within the approved 2012 landscape budget.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Mr. Trenary stated he enjoyed reading the advanced Board meeting package. He thanked the Board for the opportunity to attend the meeting and stated the time spent was valuable. Ms. Steele stated that the City planned to make a decision soon on the Finance Director position at the City. She also stated that the audit for the District was scheduled to begin on March 22, 2012. Upon no further comments, this portion of the meeting was closed.

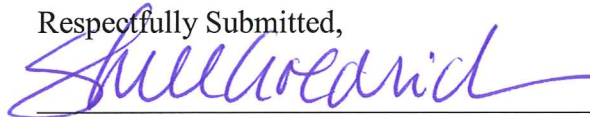
ADJOURNMENT

Ms. Hawkins stated it is likely a special meeting will be called in March to review bids and award a contract for Savanna public infrastructure work.

There being no further business to come before the Board, the meeting was adjourned at 12:51 p.m.

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

Respectfully Submitted,



Shelly Goldrich, Secretary for the Meeting