

DISTRICT COURT, LARIMER COUNTY, COLORADO Court Address: 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521 Telephone No.: (970) 498-6100		
IN RE THE ORGANIZATION OF THE CENTERRA METROPOLITAN DISTRICT NO. 1		▲ COURT USE ONLY ▲
Attorneys for Petitioners: Name: Alan D. Pogue Deborah A. Early Address: POGUE, CORBETTA & O'LEARY, P.C. 821 17 th Street, Suite 600B Denver, CO 80202 Phone Number: (303) 294-9100 Fax Number: (303) 294-9112 Atty. Reg. #: 30156 (Pogue) 34849 (Early)	Case Number: 04 CV 467 Div.: 5C	
NOTICE OF MATERIAL MODIFICATION TO THE CONSOLIDATED SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 4		

Petitioners, by and through their counsel of record, Pogue, Corbetta and O'Leary, P.C., state to the Court the following:

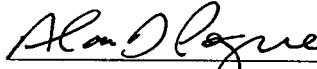
1. The Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 ("Service Plan"), originally approved by the Loveland City Council on January 20, 2004, has been modified as described herein.
2. On March 6, 2007, the Loveland City Council adopted Resolution No. R-22-2007, which approved a material modification to the Service Plan adjusting the commercial mill levy cap set forth therein. A copy of Resolution No. R-22-2007 is attached hereto as Exhibit A.
3. A copy of this Notice shall be recorded in the Office of the Larimer County Clerk and Recorder.

Return to: ✓
POGUE, CORBETTA & O'LEARY, P.C.
821 17TH STREET, SUITE 600B
DENVER, COLORADO 80202

Respectfully submitted this 28th day of March, 2007.

POGUE, CORBETTA & O'LEARY, P.C.

*FILED ELECTRONICALLY via COURTLINK.COM;
ORIGINAL SIGNATURE ON FILE AT POGUE,
CORBETTA & O'LEARY, P.C.*



Alan D. Pogue, #30156
Deborah A. Early, #34849

ATTORNEYS FOR THE DISTRICT

EXHIBIT A
RESOLUTION NO. R-22-2007

RESOLUTION #R- 22-2007

**A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING A MATERIAL MODIFICATION TO THE CONSOLIDATED
SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1-4
ADJUSTING THE COMMERCIAL MILL LEVY CAP**

WHEREAS, the City of Loveland (the "City") City Council (the "City Council") approved a Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 through 4 ("Service Plan") on January 20, 2004, as evidenced by City Council Resolution #R-7-2004; and

WHEREAS, the Centerra Master Financing and Intergovernmental Agreement ("MFA") was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, pursuant to the terms of the MFA, the City of Loveland, through its Urban Renewal Authority, assigned to the Centerra Metropolitan District No. 1 certain tax revenues generated from the property within the Centerra development during the term of the MFA; and

WHEREAS, the projections upon which the MFA was based contemplated a total mill levy assessment against the property within the Centerra development of approximately 118 mills, all of which would be available for the public improvements identified in the MFA; and

WHEREAS, based upon changed circumstances outside of the control of either the City of Loveland or the Centerra Metropolitan Districts Nos. 1 through 4 (the "Districts"), the projected total net mill levy assessment against the property within the Centerra development has decreased significantly from the projections upon which the MFA was based; and

WHEREAS, the reduction in projected total net mill levy assessment against the property within the Centerra development will result in a significant shortfall in revenues available to finance the public improvements needed for the Centerra development; and

WHEREAS, Section V.A.3 of the Service Plan provides that the maximum mill levy that can be levied by any of the Districts in combination cannot result in a mill levy burden greater than 35 mills for any of the property within the boundaries of the Centerra Metropolitan District No. 2 (the "Commercial Mill Levy Cap"); and

WHEREAS, to address the potential shortfall in MFA revenues, and to provide the flexibility needed to address other potential changes in the financial projections upon which the MFA was based, the Boards of Directors of the Centerra Metropolitan Districts Nos. 1 through 4 have petitioned the Loveland City Council for approval of a material

modification to the Service Plan to permit an adjustment to the Commercial Mill Levy Cap; and

WHEREAS, Section II.B.3.a. of the Service Plan provides that any material modification to the Service Plan shall be made only with the approval of the City Council, in accordance with § 32-1-207, C.R.S.; and

WHEREAS, notice of a public hearing before the City Council for its consideration and approval of the material modification to the Service Plan was duly published in the *Loveland Reporter-Herald* on Friday, February 9, 2007, as required by law; and

WHEREAS, notice of the public hearing before the City Council was also duly mailed by first class mail, on Friday, February 9, 2007, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government, and (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts' boundaries; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., the City Council held a public hearing on the material modification of the Districts' Service Plan on March 6, 2007; and

WHEREAS, the City Council has considered the material modification to the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That the City Council hereby determines that the requirements of § 32-1-207 (2), C.R.S., relating to the approval of a material modification to the Service Plan for the Districts; the requirements of §§ 32-1-204 (1) and (1.5), C.R.S., relating to the notice of the hearing by the City Council; and the requirements of § 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

3. That the City Council hereby finds that a material modification to the Service Plan adjusting the Commercial Mill Levy Cap is in the best interests of the Districts and the City.

4. That the City Council does hereby approve the material modification to the Service Plan, as follows:

a. The last sentence of the first paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“The maximum mill levy that can be levied by any of the Centerra Districts in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District (the “Commercial Mill Levy Cap”).”

b. The third sentence of the second paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“Alternatively, in the absence of an agreement with the LURA, the Service District may issue revenue bonds backed by a pledge of revenue to be paid to the Service District by the Commercial District pursuant to the Master IGA discussed herein, or, the Commercial District may issue limited tax obligations, with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein.”

c. The second sentence of the third paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“With the specific exception of any limitations contained in the Master IGA, there shall be no restrictions on the ability of the Commercial District to issue limited tax obligation bonds with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein, so long as such limited tax bonds are issued in accordance with the requirements of State law.”

d. The second sentence of Section V.C.2 of the Service Plan is stricken in its entirety and replaced with the following:

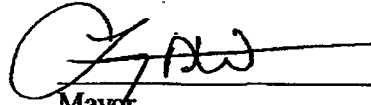
“As previously provided herein, the maximum mill levy that can be levied by any of the Districts, including the Regional Improvements District, in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District.”

5. That nothing herein limits the City’s powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.

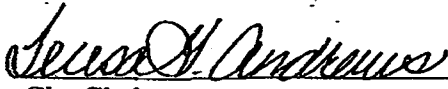
6. That the City Council’s findings are based solely on the evidence presented at the public hearing.

7. That this Resolution shall take effect on the date and at the time of its adoption by the City Council.

Adopted this 6th day of March, 2007.

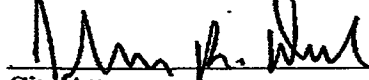


Mayor



City Clerk

APPROVED AS TO FORM:



City Attorney



DISTRICT COURT, LARIMER COUNTY, COLORADO Court Address: 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521 Telephone No.: (970) 498-6100	
IN RE THE ORGANIZATION OF THE CENTERRA METROPOLITAN DISTRICT NO. 2	▲ COURT USE ONLY ▲
Attorneys for Petitioners: Name: Alan D. Pogue Deborah A. Early Address: POGUE, CORBETTA & O'LEARY, P.C. 821 17 th Street, Suite 600B Denver, CO 80202 Phone Number: (303) 294-9100 Fax Number: (303) 294-9112 Atty. Reg. #: 30156 (Pogue) 34849 (Early)	Case Number: 04 CV 468 Div.: 5C
NOTICE OF MATERIAL MODIFICATION TO THE CONSOLIDATED SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 4	

Petitioners, by and through their counsel of record, Pogue, Corbetta and O'Leary, P.C., state to the Court the following:

1. The Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 ("Service Plan"), originally approved by the Loveland City Council on January 20, 2004, has been modified as described herein.
2. On March 6, 2007, the Loveland City Council adopted Resolution No. R-22-2007, which approved a material modification to the Service Plan adjusting the commercial mill levy cap set forth therein. A copy of Resolution No. R-22-2007 is attached hereto as Exhibit A.
3. A copy of this Notice shall be recorded in the Office of the Larimer County Clerk and Recorder.

Return to: ✓
POGUE, CORBETTA & O'LEARY, P.C.
821 17TH STREET, SUITE 600B
DENVER, COLORADO 80202

Respectfully submitted this 28th day of March, 2007.

POGUE, CORBETTA & O'LEARY, P.C.

*FILED ELECTRONICALLY via COURTLINK.COM;
ORIGINAL SIGNATURE ON FILE AT POGUE,
CORBETTA & O'LEARY, P.C.*



Alan D. Pogue, #30156
Deborah A. Early, #34849

ATTORNEYS FOR THE DISTRICT

EXHIBIT A

RESOLUTION NO. R-22-2007

RESOLUTION #R- 22-2007

**A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING A MATERIAL MODIFICATION TO THE CONSOLIDATED
SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1-4
ADJUSTING THE COMMERCIAL MILL LEVY CAP**

WHEREAS, the City of Loveland (the "City") City Council (the "City Council") approved a Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 through 4 ("Service Plan") on January 20, 2004, as evidenced by City Council Resolution #R-7-2004; and

WHEREAS, the Centerra Master Financing and Intergovernmental Agreement ("MFA") was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, pursuant to the terms of the MFA, the City of Loveland, through its Urban Renewal Authority, assigned to the Centerra Metropolitan District No. 1 certain tax revenues generated from the property within the Centerra development during the term of the MFA; and

WHEREAS, the projections upon which the MFA was based contemplated a total mill levy assessment against the property within the Centerra development of approximately 118 mills, all of which would be available for the public improvements identified in the MFA; and

WHEREAS, based upon changed circumstances outside of the control of either the City of Loveland or the Centerra Metropolitan Districts Nos. 1 through 4 (the "Districts"), the projected total net mill levy assessment against the property within the Centerra development has decreased significantly from the projections upon which the MFA was based; and

WHEREAS, the reduction in projected total net mill levy assessment against the property within the Centerra development will result in a significant shortfall in revenues available to finance the public improvements needed for the Centerra development; and

WHEREAS, Section V.A.3 of the Service Plan provides that the maximum mill levy that can be levied by any of the Districts in combination cannot result in a mill levy burden greater than 35 mills for any of the property within the boundaries of the Centerra Metropolitan District No. 2 (the "Commercial Mill Levy Cap"); and

WHEREAS, to address the potential shortfall in MFA revenues, and to provide the flexibility needed to address other potential changes in the financial projections upon which the MFA was based, the Boards of Directors of the Centerra Metropolitan Districts Nos. 1 through 4 have petitioned the Loveland City Council for approval of a material

modification to the Service Plan to permit an adjustment to the Commercial Mill Levy Cap; and

WHEREAS, Section II.B.3.a. of the Service Plan provides that any material modification to the Service Plan shall be made only with the approval of the City Council, in accordance with § 32-1-207, C.R.S.; and

WHEREAS, notice of a public hearing before the City Council for its consideration and approval of the material modification to the Service Plan was duly published in the *Loveland Reporter-Herald* on Friday, February 9, 2007, as required by law; and

WHEREAS, notice of the public hearing before the City Council was also duly mailed by first class mail, on Friday, February 9, 2007, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government, and (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts' boundaries; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., the City Council held a public hearing on the material modification of the Districts' Service Plan on March 6, 2007; and

WHEREAS, the City Council has considered the material modification to the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That the City Council hereby determines that the requirements of § 32-1-207 (2), C.R.S., relating to the approval of a material modification to the Service Plan for the Districts; the requirements of §§ 32-1-204 (1) and (1.5), C.R.S., relating to the notice of the hearing by the City Council; and the requirements of § 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

3. That the City Council hereby finds that a material modification to the Service Plan adjusting the Commercial Mill Levy Cap is in the best interests of the Districts and the City.

4. That the City Council does hereby approve the material modification to the Service Plan, as follows:

a. The last sentence of the first paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“The maximum mill levy that can be levied by any of the Centerra Districts in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District (the “Commercial Mill Levy Cap”).”

b. The third sentence of the second paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“Alternatively, in the absence of an agreement with the LURA, the Service District may issue revenue bonds backed by a pledge of revenue to be paid to the Service District by the Commercial District pursuant to the Master IGA discussed herein, or, the Commercial District may issue limited tax obligations, with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein.”

c. The second sentence of the third paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“With the specific exception of any limitations contained in the Master IGA, there shall be no restrictions on the ability of the Commercial District to issue limited tax obligation bonds with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein, so long as such limited tax bonds are issued in accordance with the requirements of State law.”

d. The second sentence of Section V.C.2 of the Service Plan is stricken in its entirety and replaced with the following:

“As previously provided herein, the maximum mill levy that can be levied by any of the Districts, including the Regional Improvements District, in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District.”

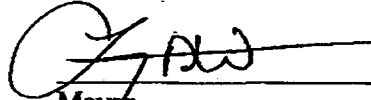
5. That nothing herein limits the City’s powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.

6. That the City Council’s findings are based solely on the evidence presented at the public hearing.

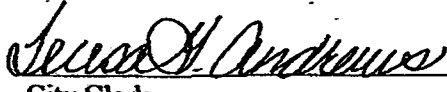
7. That this Resolution shall take effect on the date and at the time of its adoption by the City Council.

17

Adopted this 6th day of March, 2007.

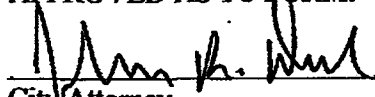


Mayor

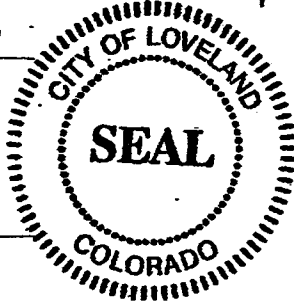


City Clerk

APPROVED AS TO FORM:



City Attorney



DISTRICT COURT, LARIMER COUNTY, COLORADO Court Address: 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521 Telephone No.: (970) 498-6100	
IN RE THE ORGANIZATION OF THE CENTERRA METROPOLITAN DISTRICT NO. 3	▲ COURT USE ONLY ▲
Attorneys for Petitioners: Name: Alan D. Pogue Deborah A. Early Address: POGUE, CORBETTA & O'LEARY, P.C. 821 17 th Street, Suite 600B Denver, CO 80202 Phone Number: (303) 294-9100 Fax Number: (303) 294-9112 Atty. Reg. #: 30156 (Pogue) 34849 (Early)	Case Number: 04 CV 469 Div.: 5C
NOTICE OF MATERIAL MODIFICATION TO THE CONSOLIDATED SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 4	

Petitioners, by and through their counsel of record, Pogue, Corbetta and O'Leary, P.C., state to the Court the following:

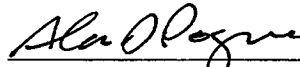
1. The Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 ("Service Plan"), originally approved by the Loveland City Council on January 20, 2004, has been modified as described herein.
2. On March 6, 2007, the Loveland City Council adopted Resolution No. R-22-2007, which approved a material modification to the Service Plan adjusting the commercial mill levy cap set forth therein. A copy of Resolution No. R-22-2007 is attached hereto as Exhibit A.
3. A copy of this Notice shall be recorded in the Office of the Larimer County Clerk and Recorder.

Return to: ✓
POGUE, CORBETTA & O'LEARY, P.C.
821 17TH STREET, SUITE 600B
DENVER, COLORADO 80202

Respectfully submitted this 28th day of March, 2007.

POGUE, CORBETTA & O'LEARY, P.C.

*FILED ELECTRONICALLY via COURTLINK.COM;
ORIGINAL SIGNATURE ON FILE AT POGUE,
CORBETTA & O'LEARY, P.C.*



Alan D. Pogue, #30156
Deborah A. Early, #34849

ATTORNEYS FOR THE DISTRICT

EXHIBIT A

RESOLUTION NO. R-22-2007

RESOLUTION #R- 22-2007

**A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING A MATERIAL MODIFICATION TO THE CONSOLIDATED
SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1-4
ADJUSTING THE COMMERCIAL MILL LEVY CAP**

WHEREAS, the City of Loveland (the "City") City Council (the "City Council") approved a Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 through 4 ("Service Plan") on January 20, 2004, as evidenced by City Council Resolution #R-7-2004; and

WHEREAS, the Centerra Master Financing and Intergovernmental Agreement ("MFA") was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, pursuant to the terms of the MFA, the City of Loveland, through its Urban Renewal Authority, assigned to the Centerra Metropolitan District No. 1 certain tax revenues generated from the property within the Centerra development during the term of the MFA; and

WHEREAS, the projections upon which the MFA was based contemplated a total mill levy assessment against the property within the Centerra development of approximately 118 mills, all of which would be available for the public improvements identified in the MFA; and

WHEREAS, based upon changed circumstances outside of the control of either the City of Loveland or the Centerra Metropolitan Districts Nos. 1 through 4 (the "Districts"), the projected total net mill levy assessment against the property within the Centerra development has decreased significantly from the projections upon which the MFA was based; and

WHEREAS, the reduction in projected total net mill levy assessment against the property within the Centerra development will result in a significant shortfall in revenues available to finance the public improvements needed for the Centerra development; and

WHEREAS, Section V.A.3 of the Service Plan provides that the maximum mill levy that can be levied by any of the Districts in combination cannot result in a mill levy burden greater than 35 mills for any of the property within the boundaries of the Centerra Metropolitan District No. 2 (the "Commercial Mill Levy Cap"); and

WHEREAS, to address the potential shortfall in MFA revenues, and to provide the flexibility needed to address other potential changes in the financial projections upon which the MFA was based, the Boards of Directors of the Centerra Metropolitan Districts Nos. 1 through 4 have petitioned the Loveland City Council for approval of a material

modification to the Service Plan to permit an adjustment to the Commercial Mill Levy Cap; and

WHEREAS, Section II.B.3.a. of the Service Plan provides that any material modification to the Service Plan shall be made only with the approval of the City Council, in accordance with § 32-1-207, C.R.S.; and

WHEREAS, notice of a public hearing before the City Council for its consideration and approval of the material modification to the Service Plan was duly published in the *Loveland Reporter-Herald* on Friday, February 9, 2007, as required by law; and

WHEREAS, notice of the public hearing before the City Council was also duly mailed by first class mail, on Friday, February 9, 2007, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government, and (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts' boundaries; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., the City Council held a public hearing on the material modification of the Districts' Service Plan on March 6, 2007; and

WHEREAS, the City Council has considered the material modification to the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That the City Council hereby determines that the requirements of § 32-1-207 (2), C.R.S, relating to the approval of a material modification to the Service Plan for the Districts; the requirements of §§ 32-1-204 (1) and (1.5), C.R.S., relating to the notice of the hearing by the City Council; and the requirements of § 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

3. That the City Council hereby finds that a material modification to the Service Plan adjusting the Commercial Mill Levy Cap is in the best interests of the Districts and the City.

4. That the City Council does hereby approve the material modification to the Service Plan, as follows:

a. The last sentence of the first paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“The maximum mill levy that can be levied by any of the Centerra Districts in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District (the “Commercial Mill Levy Cap”).”

b. The third sentence of the second paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“Alternatively, in the absence of an agreement with the LURA, the Service District may issue revenue bonds backed by a pledge of revenue to be paid to the Service District by the Commercial District pursuant to the Master IGA discussed herein, or, the Commercial District may issue limited tax obligations, with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein.”

c. The second sentence of the third paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“With the specific exception of any limitations contained in the Master IGA, there shall be no restrictions on the ability of the Commercial District to issue limited tax obligation bonds with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein, so long as such limited tax bonds are issued in accordance with the requirements of State law.”

d. The second sentence of Section V.C.2 of the Service Plan is stricken in its entirety and replaced with the following:

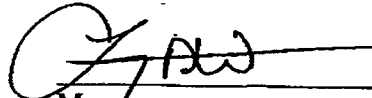
“As previously provided herein, the maximum mill levy that can be levied by any of the Districts, including the Regional Improvements District, in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District.”

5. That nothing herein limits the City’s powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.


6. That the City Council’s findings are based solely on the evidence presented at the public hearing.

7. That this Resolution shall take effect on the date and at the time of its adoption by the City Council.

Adopted this 6th day of March, 2007.

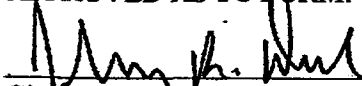


Mayor

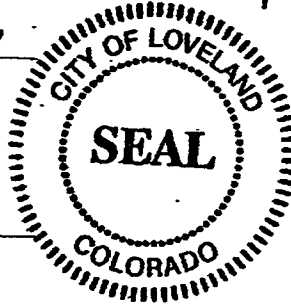


City Clerk

APPROVED AS TO FORM:



City Attorney



DISTRICT COURT, LARIMER COUNTY, COLORADO Court Address: 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521 Telephone No.: (970) 498-6100	
IN RE THE ORGANIZATION OF THE CENTERRA METROPOLITAN DISTRICT NO. 4	▲ COURT USE ONLY ▲
Attorneys for Petitioners: Name: Alan D. Pogue Deborah A. Early Address: POGUE, CORBETTA & O'LEARY, P.C. 821 17 th Street, Suite 600B Denver, CO 80202 Phone Number: (303) 294-9100 Fax Number: (303) 294-9112 Atty. Reg. #: 30156 (Pogue) 34849 (Early)	Case Number: 04 CV 470 Div.: 5C
NOTICE OF MATERIAL MODIFICATION TO THE CONSOLIDATED SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 4	

Petitioners, by and through their counsel of record, Pogue, Corbetta and O'Leary, P.C., state to the Court the following:

1. The Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 ("Service Plan"), originally approved by the Loveland City Council on January 20, 2004, has been modified as described herein.
2. On March 6, 2007, the Loveland City Council adopted Resolution No. R-22-2007, which approved a material modification to the Service Plan adjusting the commercial mill levy cap set forth therein. A copy of Resolution No. R-22-2007 is attached hereto as Exhibit A.
3. A copy of this Notice shall be recorded in the Office of the Larimer County Clerk and Recorder.

Return to: 
POGUE, CORBETTA & O'LEARY, P.C.
821 17TH STREET, SUITE 600B
DENVER, COLORADO 80202

Respectfully submitted this 28th day of March, 2007.

POGUE, CORBETTA & O'LEARY, P.C.

*FILED ELECTRONICALLY via COURTLINK.COM;
ORIGINAL SIGNATURE ON FILE AT POGUE,
CORBETTA & O'LEARY, P.C.*



Alan D. Pogue, #30156

Deborah A. Early, #34849

ATTORNEYS FOR THE DISTRICT

EXHIBIT A

RESOLUTION NO. R-22-2007

RESOLUTION #R- 22-2007

**A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING A MATERIAL MODIFICATION TO THE CONSOLIDATED
SERVICE PLAN FOR CENTERRA METROPOLITAN DISTRICTS NOS. 1-4
ADJUSTING THE COMMERCIAL MILL LEVY CAP**

WHEREAS, the City of Loveland (the "City") City Council (the "City Council") approved a Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 through 4 ("Service Plan") on January 20, 2004, as evidenced by City Council Resolution #R-7-2004; and

WHEREAS, the Centerra Master Financing and Intergovernmental Agreement ("MFA") was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, pursuant to the terms of the MFA, the City of Loveland, through its Urban Renewal Authority, assigned to the Centerra Metropolitan District No. 1 certain tax revenues generated from the property within the Centerra development during the term of the MFA; and

WHEREAS, the projections upon which the MFA was based contemplated a total mill levy assessment against the property within the Centerra development of approximately 118 mills, all of which would be available for the public improvements identified in the MFA; and

WHEREAS, based upon changed circumstances outside of the control of either the City of Loveland or the Centerra Metropolitan Districts Nos. 1 through 4 (the "Districts"), the projected total net mill levy assessment against the property within the Centerra development has decreased significantly from the projections upon which the MFA was based; and

WHEREAS, the reduction in projected total net mill levy assessment against the property within the Centerra development will result in a significant shortfall in revenues available to finance the public improvements needed for the Centerra development; and

WHEREAS, Section V.A.3 of the Service Plan provides that the maximum mill levy that can be levied by any of the Districts in combination cannot result in a mill levy burden greater than 35 mills for any of the property within the boundaries of the Centerra Metropolitan District No. 2 (the "Commercial Mill Levy Cap"); and

WHEREAS, to address the potential shortfall in MFA revenues, and to provide the flexibility needed to address other potential changes in the financial projections upon which the MFA was based, the Boards of Directors of the Centerra Metropolitan Districts Nos. 1 through 4 have petitioned the Loveland City Council for approval of a material

modification to the Service Plan to permit an adjustment to the Commercial Mill Levy Cap; and

WHEREAS, Section II.B.3.a. of the Service Plan provides that any material modification to the Service Plan shall be made only with the approval of the City Council, in accordance with § 32-1-207, C.R.S.; and

WHEREAS, notice of a public hearing before the City Council for its consideration and approval of the material modification to the Service Plan was duly published in the *Loveland Reporter-Herald* on Friday, February 9, 2007, as required by law; and

WHEREAS, notice of the public hearing before the City Council was also duly mailed by first class mail, on Friday, February 9, 2007, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government, and (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts' boundaries; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., the City Council held a public hearing on the material modification of the Districts' Service Plan on March 6, 2007; and

WHEREAS, the City Council has considered the material modification to the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That the City Council hereby determines that the requirements of § 32-1-207 (2), C.R.S, relating to the approval of a material modification to the Service Plan for the Districts; the requirements of §§ 32-1-204 (1) and (1.5), C.R.S., relating to the notice of the hearing by the City Council; and the requirements of § 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

3. That the City Council hereby finds that a material modification to the Service Plan adjusting the Commercial Mill Levy Cap is in the best interests of the Districts and the City.

4. That the City Council does hereby approve the material modification to the Service Plan, as follows:

a. The last sentence of the first paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“The maximum mill levy that can be levied by any of the Centerra Districts in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District (the “Commercial Mill Levy Cap”).”

b. The third sentence of the second paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“Alternatively, in the absence of an agreement with the LURA, the Service District may issue revenue bonds backed by a pledge of revenue to be paid to the Service District by the Commercial District pursuant to the Master IGA discussed herein, or, the Commercial District may issue limited tax obligations, with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein.”

c. The second sentence of the third paragraph of Section V.A.3 of the Service Plan is stricken in its entirety, and replaced with the following:

“With the specific exception of any limitations contained in the Master IGA, there shall be no restrictions on the ability of the Commercial District to issue limited tax obligation bonds with a tax levy not to exceed the Commercial Mill Levy Cap, as the same may be adjusted as provided for herein, so long as such limited tax bonds are issued in accordance with the requirements of State law.”

d. The second sentence of Section V.C.2 of the Service Plan is stricken in its entirety and replaced with the following:

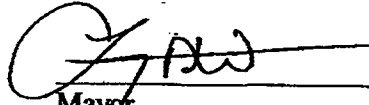
“As previously provided herein, the maximum mill levy that can be levied by any of the Districts, including the Regional Improvements District, in combination cannot result in a mill levy burden greater than 72 mills for any of the property within the boundaries of the Commercial District.”

5. That nothing herein limits the City’s powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.


6. That the City Council’s findings are based solely on the evidence presented at the public hearing.

7. That this Resolution shall take effect on the date and at the time of its adoption by the City Council.

Adopted this 6th day of March, 2007.

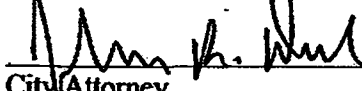


Mayor

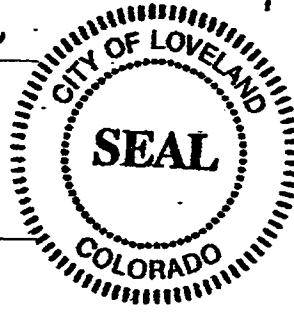


City Clerk

APPROVED AS TO FORM:



City Attorney



RESOLUTION #R-7-2004

**A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING THE CONSOLIDATED SERVICE PLAN FOR
CENTERRA METROPOLITAN DISTRICTS NOS. 1-4**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1-4, (collectively the "Districts") has been submitted to the City Council (the "City Council") of the City of Loveland, Colorado (the "City"); and

WHEREAS, a copy of said Service Plan is attached as Exhibit "A" and incorporated herein by reference ("the Service Plan"); and

WHEREAS, the boundaries of the proposed Districts are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on December 19, 2003, as required by law, as evidenced by the "Certification of Mailing Notice of Hearing and Publication" dated January 5, 2004, attached as Exhibit "B" and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on December 16, 2003, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government; (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed District's boundaries, as evidenced by Exhibit "B"; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Service Plan for the proposed Districts on January 13, 2004, which hearing was continued to the Council's January 20, 2004, regular meeting; and

WHEREAS, the City Council has considered the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLOARDO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

a. there is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;

b. the existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;

c. the proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;

d. the area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;

f. the facility and service standards of the proposed Districts are compatible with the facility and service standards of the City;

g. the proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206 C.R.S., as amended;

h. the proposal is in compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; and

i. the creation of the proposed Districts will be in the best interests of the area proposed to be served.

3. That the City Council hereby determines that the requirements of Sections 32-1-202 (1), (2) and (3), C.R.S., relating to the filing of the Service Plan for the Districts, and the requirements of Sections 32-1-204 (1) and (1.5), C.R.S., relating to notice of the hearing by the City Council, and the requirements of Section 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

4. That the City Council does hereby approve the Service Plan for the Districts as submitted.

5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

6. That the City Council's findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Service Plan and creation of the Districts.

7. That this approval of the Service Plan shall be further conditioned upon the owners of the property providing to the Loveland City Attorney a mill levy disclosure statement signed by the owners of the property in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder and further conditioned upon an agreement between the City and the owner of the property contained within the Centerra Metropolitan District No. 3, the Residential District, requiring such owner to provide the mill levy disclosure statement to all prospective purchasers of lots in the Residential District prior to any purchaser entering into the contract to purchase a lot from the owner or owners, or their successors and assigns.

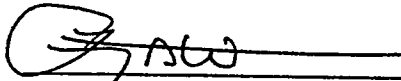
8. That nothing herein limits the City's powers with respect to the District, the properties within the District, or the improvements to be constructed by the District.

9. The City's findings are based solely on the evidence in the Service Plan and such other evidence presented at the public hearing and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the District or the achievability of the results as set forth in the Service Plan.

10. That this Resolution shall go into effect as of the date and time of its approval by the Council.

Adopted this 20th day of January, 2004.



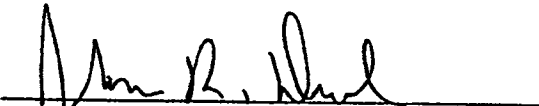


Mayor



City Clerk

APPROVED AS TO FORM:



City Attorney

**RESOLUTION OF THE BOARDS OF DIRECTORS OF
CENTERRA METROPOLITAN DISTRICTS NOS. 1 THROUGH 4**

COMMERCIAL MILL LEVY CAP ADJUSTMENT

WHEREAS, the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 -4 ("Service Plan"), was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, the Centerra Master Financing and Intergovernmental Agreement ("MFA") was approved by the Loveland City Council on January 20, 2004; and

WHEREAS, pursuant to the terms of the MFA, the City of Loveland, through its Urban Renewal Authority, assigned to the Centerra Metropolitan District No. 1 certain tax revenues generated from the property within the Centerra development during the term of the MFA; and

WHEREAS, the projections upon which the MFA was based contemplated a total mill levy assessment against the property within the Centerra development of approximately 118 mills; and

WHEREAS, Section V.A.3 of the Service Plan provides that the maximum mill levy than can be levied by any of the Districts in combination cannot result in a mill levy burden greater than 35 mills for any of the property within the boundaries of the Centerra Metropolitan District No. 2 (the "Commercial Mill Levy Cap"); and

WHEREAS, based upon changed circumstances outside of the control of either the City of Loveland or the Centerra Metropolitan Districts Nos. 1 through 4, the projected total mill levy assessment against the property within the Centerra development has decreased significantly from the projections upon which the MFA was based; and

WHEREAS, the reduction in projected total mill levy assessment against the property within the Centerra development will result in a significant shortfall in revenues available to finance the public improvements needed for the Centerra development; and

WHEREAS, to address the potential shortfall in MFA revenues, and to provide the flexibility needed to address other potential changes in the financial projections upon which the MFA was based, the Boards of Directors of the Centerra Metropolitan Districts Nos. 1 through 4 desire to petition the Loveland City Council for approval of a material modification to the Service Plan to permit an adjustment to the Commercial Mill Levy Cap.

NOW, THEREFORE, THE BOARDS OF DIRECTORS OF THE CENTERRA METROPOLITAN DISTRICTS NOS. 1 THROUGH 4 RESOLVE AS FOLLOWS:

1. The Districts' legal counsel, manager, and financial consultants are hereby directed to present to the Loveland City Council a request for a material modification to the

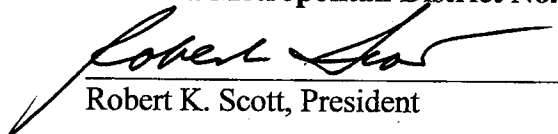
Service Plan to increase the Commercial Mill Levy Cap to address the changes, both current and future, to the financial projections upon which the MFA was based.

2. The Districts' legal counsel, manager, and financial consultants are directed to prepare such documents and presentations as City of Loveland staff may desire to permit the request for approval of material modification to the Service Plan to be presented to the City Council on March 6, 2007.

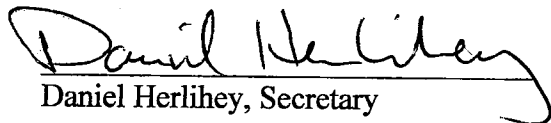
3. The Districts' Boards of Directors hereby ratify, affirm, and approve all actions taken to date by the Districts' legal counsel, manager, and financial consultants related to the material modification to the Service Plan and the submission of the same to the Loveland City Council.

ADOPTED AND APPROVED THIS 15th DAY OF February, 2007.

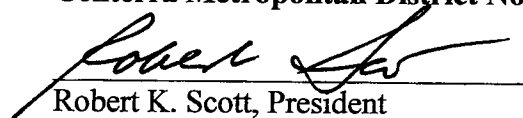
Centerra Metropolitan District No. 1


Robert K. Scott, President

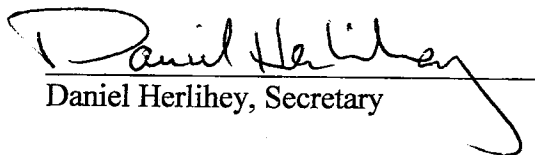
ATTEST:


Daniel Herlihey, Secretary

Centerra Metropolitan District No. 2

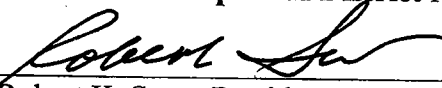

Robert K. Scott, President

ATTEST:

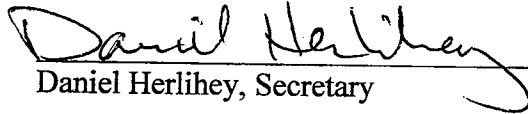

Daniel Herlihey, Secretary

[Signatures continue on next page]

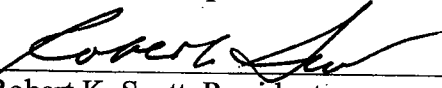
Centerra Metropolitan District No. 3


Robert K. Scott, President

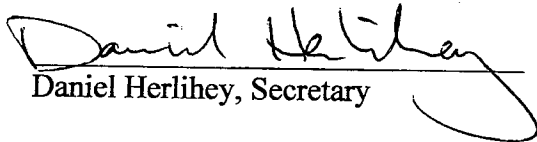
ATTEST:


Daniel Herlihey, Secretary

Centerra Metropolitan District No. 4


Robert K. Scott, President

ATTEST:


Daniel Herlihey, Secretary