

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

HELD

April 17, 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, April 17, 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:

Kim Perry, Vice President
Dan Herlihey, Secretary
Phil Hodgkinson, Vice President/Assistant Secretary

Directors Absent:

Joe Knopinski, Vice President (Absence Excused)

Also in Attendance:

Bret Boulter, McWhinney
Jim Niemczyk, McWhinney
Jay Hardy, McWhinney
Christine Harpel, McWhinney
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilda, & Pogue
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Diane Lunt, Pinnacle Consulting Group Inc.
Dwayne Walker, Empire Management, Inc.
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.

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.

AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Hodgkinson, seconded by Director Herlihey, it was unanimously

RESOLVED to approve the agenda without changes.

APPROVAL OF MINUTES

The Minutes of the February 21, 2008, March 7, 2008, March 13, 2008, March 19, 2008, and March 20, 2008 meetings were presented and have been submitted to Bond Counsel for their review. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was

RESOLVED to approve the minutes from February 21, 2008, March 7, 2008, March 13, 2008, March 19, 2008, and March 20, 2008, subject to approval by Bond Counsel and to ratify actions by the District Manager during the month.

PAYABLES

Ms. Dowswell presented the March and April Schedules of Payables as of April 17, 2008, in the respective amounts of \$201,106.49 including checks 3209 through 3241 and \$279,894.27 including checks 3242 through 3273. The Board reviewed the payables and upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was

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

Ms. Dowswell reviewed the "Cash Position" as of March 31, 2008 and updated as of April 15, 2008 and explained the transition from the 2004 to the 2008 Bond entries.

2007 AUDIT

Ms. Dowswell noted the 2007 Audit field work was completed and under review. Ms. Steele, City of Loveland, has performed her audit work related to the MFA. Once District No. 1's Audit is completed for the year 2007, a copy will be filed with the City of Loveland for their Loveland Urban Renewal Report.

MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted that it was necessary to submit a monthly payment request to the trustee to fund March 2008 administrative and operating costs. The request is in the amount of \$100,000.00, which allows for a reserve for the summer months when expenses will likely be greater than the \$167,000.00/mo. cap on the request. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was

RESOLVED to approve the monthly payment request in the amount noted above and authorize Director Herlihey to execute the Certificate.

QUARTERLY COMPLIANCE CERTIFICATES

Under the reimbursement agreements with the District's letter of credit providers, Ms. Dowswell noted that a 4th Quarter 2007 Compliance Certificate is required to be submitted to BNP. In addition, a certificate is required to be filed with Compass Bank for the 1st Quarter 2008. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was

RESOLVED to approve the 4th Quarter 2007 Compliance Certificate to BNP and the 1st Quarter 2008 Certificate to Compass Bank, and authorize Director Herlihey to execute the Certificates.

DISTRICT MANAGER

Ms. Dowswell updated the Board on the changing role of Mr. Shannon who will be leaving MRES and his role as District Manager. Ms. Dowswell applauded Mr. Shannon's excellence in leadership and success in representing both the public and private entities. Ms. Dowswell noted that Mr. Pogue will work with Pinnacle on revising the scope for MRES and Pinnacle and return to the Board with suggested changes. Director Perry included her praise and

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sentiments to Mr. Shannon. Director Perry recognized and thanked Mr. Shannon, Mr. Pogue, and Ms. Dowswell for their dedication to a successful bond completion. Ms. Dowswell also recognized the efforts of the bond team.

OPERATING
AGREEMENT
CHAPUNGU
SCULPTURE
PARK

Mr. Pogue noted there were no additional comments received from the Chapungu representatives on the proposed Management Plan for the Sculpture Park. Mr. Pogue, requested approval of the District's submitted February 2008 Management Plan for Chapungu Sculpture Park. Mr. Hardy suggested developing a Statement of Intent for scheduling events. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was

RESOLVED to approve the District's February 2008 version of the Management Plan and to authorize Director Perry and Director Herlihey to execute the Plan. Mr. Pogue was directed to communicate the District's approval of the Plan to legal counsel for Chapungu.

LEGAL REPORT

Mr. Pogue stated that Centerra Metropolitan District would be hard pressed to find a better manager than Mr. Shannon. He commented that the entire bond team including Board Members and the City of Loveland had stepped up efforts and schedules to make sure the bonds closed.

Mr. Pogue noted the City Council will be reviewing the IGA with the City of Loveland and the Centerra Metropolitan District No. 1 for the I-25 and U.S. Highway 34 at their meeting in early May.

Mr. Pogue advised the Board that the District had paid the purchase price for the Lifestyle Center public improvements out of 2008 bond proceeds, as required by the 2004 Improvements Acquisition Agreement entered into by District No. 1 and the Centerra Lifestyle Center, LLC. Items outstanding for finalizing this transaction include final approval of the Maintenance Agreement, a Bill of Sale, and verifying the title work.

Mr. Pogue stated that the Centerra RSF Corporation was close to closing on its initial bond issue, in a par amount of approximately \$7,500,000. This will allow Centerra Properties West, LLC to be reimbursed for Centerra Parkway North construction costs.

Mr. Pogue advised the Board that a supplement to the Grand Station RSF Covenant was being prepared to add the "PITA" property to the terms and conditions of that covenant. Mr. Pogue advised that a portion of the PITA property is owned by District No. 1, and that District No. 1's consent was

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required in order to subject that property to the Grand Station RSF Covenant. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was

RESOLVED to consent to the addition of the portion of the PITA property owned by District No. 1 to the Grand Station RSF Covenant, and directing Directors Perry and Herlihey to execute the consent documentation.

Mr. Pogue noted that the Maintenance Agreement between CCOA and the District is ready to be phased out and terminated. Upon motion duly made by Director Hodgkinson, seconded by Director Herlihey, it was unanimously

RESOLVED to approve the termination of the Maintenance Agreement with CCOA.

Mr. Pogue noted that the IGA between the City of Loveland and the District for payment of the costs of constructing the I-25 and US Highway 34 interchange is to be considered for approval by the Loveland City Council in May. Mr. Pogue advised that he and Mr. Shannon had negotiated the final language with the City, and recommended approval by the Board. Upon motion duly made by Director Herlihey, seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the I-25 and US Highway 34 IGA with the City of Loveland and authorize Directors Perry and Herlihey to sign as President and Secretary, respectively.

Mr. Pogue updated the Board on the status of the expansion of the Centerra Urban Renewal Area. The proposed expansion would require an amendment to the PIF Covenant, a third amendment to the MFA, and would require the inclusion of certain property into the boundaries of District No. 2, and possibly require the exclusion of certain property from the boundaries of District No. 3. Mr. Pogue advised that these items would be negotiated with the City and presented for City Council consideration in July-August, 2008.

Mr. Pogue advised the Board that a Certificate of Payment Application is needed for Centerra Parkway North for reimbursement by third parties. This certification is for money spent on ROW improvements and the acquisition costs for the easements. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to authorize Mr. Shannon, as district manager, to execute the certificates of payment to move forward on the application process.

CONSTRUCTION MANAGER

Mr. Dwayne Walker, Empire Management, updated the Board on the District Reimbursement Delivery Books for Project Centerra Parkway North and

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Chapungu Park. He explained that Bromfield & Associates had been hired to manage the landscape contractor while the improvements are in the two year warranty period and prior to final acceptance by the District. Gregory Electric will be overseeing signage and lighting, while Empire Management will look over the hardscapes. Mr. Walker noted that the Chapungu bathroom kit had arrived and the hope was to have it operational by June 1, 2008. The roundabout extension leading to the old frontage road access will be removed this spring. Empire Management will conduct a final walk-thru with the City of Loveland for the Centerra Parkway, Sky Pond and Kendall Parkway projects. Director Perry noted that the spot lighting was off-target on the Chapungu sculptures. Mr. Walker will ask Gregory Electric to add inspection of the sculpture lighting to their monthly walk-thru list.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no comment, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:23 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