

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

January 18, 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 Enterprises, 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado 80538; at 12:00 noon Thursday, January 18, 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:

Rocky Scott, President
Dan Herlihey, Secretary
Ken Howell, Treasurer
Phil Hodgkinson, Vice President/Assistant Secretary

Directors Absent and Excused:

Kim Perry, Vice President

Also in Attendance:

Alan Pogue, Pogue, Corbetta & O'Leary, P.C.
Rich Shannon, McWhinney Enterprises, District Manager
Peggy Dowswell, District Administrator
Bret Boulter, McWhinney Enterprises
Sylvester Mabry, McWhinney Enterprises
Jeff Barnes, City of Loveland
Stan Myers, Northern Engineering
Dwayne Walker, Empire Construction Management
Carla Hawkins, Pinnacle Consulting Group, Inc.

RECORD OF PROCEEDINGS

CALL TO ORDER

The meeting was called to order by Director Scott, 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 and 4.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue noted that conflicts of interest for all Board Members have been filed with the Secretary of State at least 72 hours prior to this meeting, 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.

AGENDA

The Board reviewed the agenda and approved the agenda without changes.

APPROVAL OF MINUTES

The Minutes of the November 16, 2006 meeting were presented. Director Herlihey noted changes to the minutes. Upon further discussion and upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

RESOLVED to approve the minutes of the November 16, 2006 as amended.

PAYABLES

Ms. Dowswell presented the Schedule of Payables as of December 18, 2006 totaling \$794,267.51 including checks 2031 through 2068, and January 18, 2007 totaling \$165,276.24 including checks 2069 through 2098. The Board reviewed the payables and upon motion duly made by Director Howell and seconded by Director Herlihey, it was unanimously

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

Ms. Dowswell presented the Schedule of Cash Status as of December 31, 2006 and updated as of January 18, 2007. Ms. Dowswell reviewed the cash balances in each of the Districts' accounts and explained the revenue sources. Director Scott requested that the board be given a Quarterly Executive Summary benchmarking annual revenues and projections, noting any material variations.

RECORD OF PROCEEDINGS

APPROVAL FOR 2006 AUDITOR

Ms. Dowswell noted she had received a proposal from Reynolds, Henrie & Associates, P.C. for the completion of the 2006 Audit for District No. 1. The fee for the audit is not to exceed \$7,400 plus out of pocket expenses, the same proposal as last year. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to engage Reynolds, Henrie & Associates, P.C. to prepare the 2006 Audit.

Mr. Barnes noted that Brandi Curtis was no longer with the City of Loveland and Swanhorst & Co. was the auditor for the City of Loveland.

QUARTERLY BNP COMPLIANCE CERTIFICATE

Ms. Dowswell presented the 3rd and 4th Quarterly BNP Compliance Certificates for Centerra Metropolitan District No. 1. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the 3rd and 4th Quarterly Compliance Certificates and authorize Director Howell to execute the Certificates.

CENTERRA PARKWAY NORTH RIGHT OF WAY ACQUISITION

Mr. Shannon reported on the District is negotiating a temporary construction easement and the acquisition of right of way with seven ownership groups for Centerra Parkway North to Crossroads Boulevard. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the easements and rights of way for Centerra Parkway North in an amount not to exceed the budget of \$1.5 million and to direct President Scott to execute the necessary documents to proceed with the acquisition.

MANAGER'S REPORT

Mr. Shannon updated the Board regarding the alignment for the Kendall Parkway Underpass, noting CDOT and the City of Loveland were both meeting to review regional improvements. They were also to discuss the timing of whether or not Kendall Parkway Underpass should be built at the same time as US Highway 34 and I-25 intersection improvements. The results may mean the advance construction of Kendall Parkway to Rocky Mountain Avenue. Director Scott stated that the design group should be creative in bringing connectivity of the Myers Group parcels to the professional office sites. Mr. Shannon noted that it was very unlikely that another at-grade railroad crossing, for this purpose, would be approved without the removal of three or four other crossings within a

RECORD OF PROCEEDINGS

mile of the proposed at-grade crossing. These conditions do not exist within Centerra. Mr. Shannon noted that Mr. Mabry and Mr. Tufte (Northern Engineering) were working with the City of Loveland and CDOT for overlay improvements along US Highway 34 and Boyd Lake Avenue. This group is cooperating in cost sharing efforts of these improvements to save all parties time and money.

ANNUAL ADMIN RESOLUTION

Mr. Pogue presented the Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make all necessary filings. Director Herlihey asked to review the posting location map and make modifications, if necessary. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

RESOLVED to approve the Annual Administrative Resolution; reaffirm the current slate of officers; appoint Pogue, Corbetta & O'Leary as counsel and appoint Pinnacle Consulting Group Inc. as district administrator.

INDEMNIFICATION RESOLUTION

Mr. Pogue presented the Indemnification Resolutions for Directors and Employees of Centerra Metropolitan District Nos. 1, 2, 3 & 4. Upon motion duly made by Director Herlihey, seconded by Director Hodgkinson and unanimously carried, it was

RESOLVED to adopt the Indemnification Resolutions for Centerra Metropolitan District Nos. 1, 2 3 & 4.

LEGAL REPORT

Director Scott requested that Mr. Pogue as counsel put together a legal best practices handout for board responsibilities. Ms. Dowswell noted that the SDA has a board member handbook and agreed to forward this to the board members for their review. If not sufficient, Mr. Pogue will provide the requested board member legal summary.

Mr. Pogue noted that he and Mr. Mabry had completed the easement for a 12" utility line and had forwarded the document to the City of Loveland for final approval from John Duval, City Attorney. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the easement and have President Scott and Secretary Herlihey execute the document upon final approval from the City Attorney.

The District also needs to accept the assignment of the detention pond easement from Centerra Properties West and High Plains Environmental Center. Upon

RECORD OF PROCEEDINGS

motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to accept the assignment of the detention pond easement from Centerra Properties West and High Plains Environmental Center.

The District also needs to give temporary construction easements for the utility line and detention pond improvements. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to authorize the District to accept temporary construction easements and to directed President Scott and Secretary Herlihey to sign the temporary construction easements.

Mr. Pogue requested that the Board ratify the purchase of Right of Way for Kendall Parkway. The first-take down of property according to the purchase contract took place January 9, 2007. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to ratify the acquisition of the Kendall Parkway right of way.

Mr. Pogue noted that effective January 1, 2007 all contractors hiring personnel must verify employability of their workers and affirm with the State and Department of Labor. He handed out the new form for employers and employees to sign.

Mr. Pogue noted that Amendment 41 does not apply to Special Districts, but rather state and local governments such as the City of Loveland. It is likely that Amendment 41 language will be expanded as an ethics commission is being appointed.

CONSTRUCTION MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that clarification was needed regarding snow removal for streets currently under the two year warranty before being permanently accepted by the City. Mr. Shannon noted that all snow removal questions and/or concerns should be directed to Director Hodgkinson and his property management division. Director Hodgkinson noted that he had requested a meeting with the City of Loveland to address snow removal issues. There is also potential landscape damage to recently installed landscaping due to the snow quantity and snow removal equipment and chemicals. Director Scott suggested that a snow removal plan for storing large amounts of snow for the entire Centerra project should be developed. Some areas suggested were large detention ponds. This plan should be discussed with the Design Review Committee. Mr. Myers was asked to look at detention ponds and their designs to develop areas for stockpiling snow.

RECORD OF PROCEEDINGS

Mr. Walker noted that there had been some delays on the Centerra Parkway Railroad Bridge due to weather, but should not represent an increase of costs at this time.

Mr. Boulter noted that Mr. Walker was reviewing the final construction plans for Chapunga Park. This project is slated for reimbursement by the District in the future. He noted that the installation of the Open Road sculpture had been delayed due to cold temperatures.

ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, noted that negotiations were underway with GLIC for the spillway resizing. They are also working with the City of Greeley to reroute the Greeley water lines on the east side of I-25.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving 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.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting