

**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

August 18, 2005

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, August 18, 2005. 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:

Douglas Hill, President
Jeff Whiton, Vice President/Assistant Secretary
Dan Herlihey, Secretary
Ken Howell, Treasurer

Directors Absent and Excused:

Kim Perry, Vice President

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel
Peggy Dowswell, District Administrator
Rich Shannon, McWhinney Enterprises, District Manager
Bret Boulter, McWhinney Enterprises
Sylvester Mabry, McWhinney Enterprises
Stan Myers, Northern Engineering
Jeff Barnes, City of Loveland
Dwayne Walker, Empire Management, Inc.
Jon Erickson, Empire Management, Inc.
Jason Carroll, Clifton Gunderson

CALL TO
ORDER

The meeting was called to order by Director Hill, 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 accepted an addition for the interim easement at the Lifestyle Center.

APPROVAL OF
MINUTES

The Minutes of the July 21, 2005 and August 4, 2005 meeting were presented. Upon further discussion and upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

RESOLVED to approve the minutes of the July 21, 2005 and August 4, 2005 meeting, as presented.

PAYABLES

Ms. Dowswell presented the Schedule of Payables as of August 5, 2005 totaling \$213,511.00, and August 18, 2005 totaling \$2,384,405.11, including checks 1388 through 1422. The Board reviewed the payables and upon motion duly made by Director Hill and seconded by Director Herlihey, it was unanimously

RESOLVED to ratify and approve the Schedules of Payables noted above, in the amounts noted above, including checks 1388 through 1422.

FINANCIAL
REPORT

Mr. Jason Carroll, of Clifton Gunderson, presented the Cash Status sheet, which displays the cash balances in the operating account and in numerous bond funds. He also presented the Financial Statements as of June 30, 2005, noting that expenditures were less than budget, particularly in the General Fund.

2004 AUDIT
UPDATE

Mr. Carroll updated the board as to the status of the Audit, noting that he should have the final draft of the Financial Statement ready soon, so the Audit can be presented at the September board meeting. Ms. Dowswell noted that the City's internal auditor had reviewed the District's records and contracts, and she was working with the City to see if further audit procedures were required by the City. The Board suggested that a subcommittee meet prior to the board meeting to review the audit. Director Howell noted that he could meet with Ms. Dowswell, Mr. Carroll, and the auditors prior the meeting. Mr. Jason noted that next year, they plan to close the books by the end of February and prepare for

Audit in late March or first of April and presented to the Board at the May meeting.

CENTERRA WEST
STREETSCAPE IMPR
BID AWARD

Mr. Shannon reported that the District has bid the Centerra West Streetscape improvements for the landscaping at Hwy 34 and Hahns Peak Drive, near Centerra Marketplace II. Mr. Walker presented a Bid Summary Spreadsheet outlining the bids received per bid schedule. Mr. Shannon noted that there was only \$943 difference between the two lowest bids, so they were both considered as lowest bid. The District did its due diligence in investigating the experience level of both low bidders. As the District has awarded to Valley Crest in the past, the District was aware of their level of expertise. When investigating Western States, it was clear that they had no experience with a high-end master landscaped plan, and was therefore unqualified to receive the bid award. Upon motion duly made by Director Hill and seconded by Director Whiton, it was unanimously

RESOLVED to award the Centerra West Streetscape Improvements Bid to Valley Crest and giving Notice to Proceed only for Schedule A at this time.

CONSTRUCTION
MANAGER REPORT

Mr. Dwayne Walker, of Empire Management, reported that work along US Hwy 34 s in progress with minimum lane closures. The last layer of asphalt will be installed prior to Labor Day weekend and it is anticipated that Centerra Parkway with the signal will be completed by October 1, 2005. Hahns Peak's top lift is underway and the signal and striping still need to be done. The Lifestyle Center will be sealed off and patrolled on Labor Day weekend due to the extra traffic expected by the bike rally. The landscape areas and grading along the 75' buffer on Centerra Parkway is not yet complete, and some work may be deferred until next year. The architectural finishes on the pedestrian walkway and bridge are complete. Empire Management is working with DTJ on the boundary marker permit. Mr. Jon Erickson stated that the Myers Group 2nd Filing is complete with the exception of the sidewalks and landscaping. In Phase II, the wet utilities are complete and curb and gutter will be complete soon. There is one public bid process left this year which be awarded in September for the internal roads, water and sewer in the Motorplex. The City will be working on Rocky Mountain Avenue until May 2006, which the City has awarded to Coulson.

ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, stated that the 60% design for the Centerra Parkway underpass had been submitted to the Railroad. It will be submitted at a later date to the PUC. The plan is to do the temporary shoe fly with the drainage, which expedites the shoe fly construction. This will need to be done to keep on schedule to complete the project in 2006, with the tight schedule. The bid package for this project will go out just after the first of the

year. After construction of the railroad underpass is complete, the embankment and the shoe fly will go away.

DISTRICT MANAGER
REPORT

Mr. Shannon reported that most of the District's water shares had been or will be dedicated for landscape irrigation. This means more water will need to be purchased by the District in the next month or so, for the balance needed for the District's irrigation needs. Mr. Shannon also reported that he, Dan Herlihey and Kim Perry had visited with the Greeley Loveland Irrigation Co. (GLIC) to inform them of the public plaza improvements over their ditch, at the Lifestyle Center. They provided detailed drawings to the GLIC Board and walked them through the improvements to clarify any misperceptions. Their Board was very appreciative of their report.

LEGAL REPORT

Mr. Alan Pogue, legal counsel, reported on the exclusion of the 40' strip of land on the south side of Highway '34, outside of road rights of way. He noted that the City Attorney has asked that we hold off until September for the District's exclusion action, until the City has had a chance to approve the request to exclude and amend the URA boundaries. Mr. Pogue noted that the principals of the Chapungu gallery are out of the country, and so has been unable to review the documents and complete the agreement for Sculpture Park. Mr. Pogue reported that Poag & McEwen have given their approval of the interim easement that allows the District to complete its improvements behind PF Chang's. Upon motion duly made by Director Herlihey and seconded by Director Whiton, it was unanimously

RESOLVED to approve the interim easement agreement giving Director Hill the authority to execute the agreement upon receipt by Poag & McEwen.

PUBLIC
COMMENTS

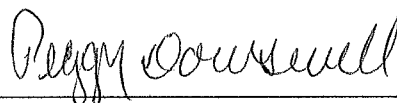
The Board opened the meeting to Public Comments. Upon receiving no comments, this portion of the meeting was closed.

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,



Peggy Dowswell, Secretary for the Meeting