

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

February 15, 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, 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado 80538; at 12:00 noon Thursday, February 15, 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
Kim Perry, Vice President
Dan Herlihey, Secretary
Ken Howell, Treasurer
Phil Hodgkinson, Vice President/Assistant Secretary

Also in Attendance:

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

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.

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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 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 January 18, 2007 meeting were presented. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the minutes of the January 18, 2007 as presented.

PAYABLES

Ms. Dowswell presented the Schedule of Payables as of February 15, 2007 totaling \$420,848.01 including checks 2099 through 2126. The Board reviewed the payables and upon motion duly made by Director Hodgkinson and seconded by Director Howell, it was unanimously

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

Ms. Dowswell presented the Schedule of Cash Status as of January 31, 2007 and updated as of February 15, 2007. Ms. Dowswell reviewed the cash balances in each of the Districts' accounts. Ms. Dowswell presented and reviewed the preliminary draft of the December 31, 2006 Financial Statements with the Board. Ms. Dowswell noted that the 2006 Budget for Debt Service Fund would need to be amended at the March meeting due to interest received and transferred to the Capital Projects Fund in 2006.

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EASEMENT AGREEMENTS

Director Herlihey updated the Board on the conveyance of thirteen parcels to the District. Upon motion duly made by Director Hodgkinson and seconded by Director Perry, it was unanimously

RESOLVED to accept the deeds upon the successful release from the collateral loans and authorize Director Scott, as president, to execute the documents on behalf of the Districts.

Director Herlihey noted that the Sculpture Park final plat had been approved and is scheduled to be recorded in late March. This property is to be acquired by the district with a construction easement given back to Centerra Properties West, LLC for the construction of the park. Director Herlihey presented a map outlining existing easements and new easements to be granted within Block 1, Lot 1 and Block 2, Lot 2 of Millennium East First Subdivision. Director Herlihey agreed to check whether the easements are within the required setbacks or if they extend beyond these setbacks. After further discussion and upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to accept the dedication of easement from Centerra Properties West, LLC once the necessary paper work is completed by counsel, Mr. Pogue.

LEGAL REPORT

Mr. Pogue reported that the District has updated its MFA projections and has ascertained that the net LURA mill levy has declined as much as 4% per year since 2004. This is due to decreases in the school district's mill levy, due to Tabor and debt service fluctuations. Mr. Pogue, along with Ms Dowswell and Mr. Shannon, recommend proceeding with the City of Loveland to increase the District's mill levy cap in order to maintain the MFA revenue stream and financial commitments. Upon motion duly made by Director Perry and seconded by Director Herlihey, it was unanimously

RESOLVED to authorize district counsel and manager to present a resolution to City Council at their March 6th meeting, with the resolution being to revise the mill levy cap for all four districts.

Mr. Pogue gave a legislative update regarding a house bill regarding special districts and impact fees. He mentioned that the home builders' association was actively opposing this bill.

Mr. Pogue updated the board stating that the City of Loveland had approved the Sculpture Park easement and he anticipated approval from Macy's soon.

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CONSTRUCTION MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that the steel for the Centerra Parkway Railroad Underpass was being transported. He stated the Motorplex project was coming to a close. Mr. Boulter noted that the boundary markers had won the Sign of the Times Award (an international competition). He also noted that lighting will be installed on the boundary markers. Mr. Boulter stated that GE, street light installation contractor, had won an award as the Contractor of the Year in the small business category.

ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, noted that Wilson & Company was working on the alignment of the underpass at Kendall Parkway and I-25. He stated that negotiations were underway to synchronize construction projects with CDOT for improvements along US Hwy 34 and Kendall Parkway. The conceptual plans for this underpass are anticipated to be completed in six weeks with the final design commencing thereafter. It is anticipated that construction will commence in 2008 with completion in 2009.

Director Herlihey noted Mr. Pogue is drafting the ROW Acquisition Agreements and Mr. Shannon, District Manager, is negotiating with the five owners of the seven properties to secure road rights-of-way along Centerra Parkway north to Crossroads Boulevard. Northern Engineering is revising current documents to eliminate the City of Loveland pedestrian easement.

Mr. Myers noted that his firm was working with the City of Loveland on the lift station that is to be built on the east side of I-25. An agreement will be put into place to convey the lift station to the City of Loveland and to outline easements and maintenance of this facility.

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,



Carla Hawkins, Secretary for the Meeting