

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

March 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 offices of McWhinney, 2725 Rocky Mountain Ave., Loveland, Colorado 80538; at 12:00 noon Thursday, March 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:

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

Directors in Absent and Excused:

Rocky Scott, President
Ken Howell, Treasurer

Also in Attendance:

Alan Pogue, Pogue, Corbetta & O'Leary, P.C.
Rich Shannon, McWhinney, District Manager
Peggy Dowswell, Pinnacle Consulting Group Inc, District Administrator
Joe Knopinski, McWhinney
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.

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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.

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 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 and approved the agenda without changes.

APPROVAL OF MINUTES

The Minutes of the February 15, 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 February 15, 2007 as revised, deleting Enterprises from McWhinney's name.

PAYABLES

Ms. Dowswell presented the Schedule of Payables as of March 15, 2007 totaling \$535,910.09 including checks 2127 through 2152. The Board reviewed the payables and upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

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

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2006 AMENDED BUDGET HEARING & ADOPTION OF RESOLUTIONS

Director Perry opened the 2006 Amended Budget Hearing for District No. 1 to the public. Mr. Pogue reported that notice of the hearing had been published in accordance with state budget law. There being no public input, the public hearing portion of the budget was closed. Ms. Dowswell explained that the 2006 Budget needed to amend the Debt Service Fund to reflect additional interest revenue being received and transferred to the Capital Fund. The Board discussed the budget and upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the Resolutions to Adopt the Amended 2006 Budget for Centerra District No. 1 and Appropriate budgeted funds, and approve all other documents related to the amended 2006 budget, which are attached hereto for the record.

2006 AUDIT EXEMPTIONS

On behalf of Clifton Gunderson, district accountant, Ms. Dowswell presented the 2006 Applications for Audit Exemption for District Nos. 2, 3 and 4. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

RESOLVED to approve the 2006 Applications for Exemption from Audit for District Nos. 2, 3 and 4.

ACCEPTANCE OF WATER LINE AGREEMENT

Mr. Pogue, counsel, discussed the City of Loveland water line agreement with Centerra Properties West, LLC. It is the intent that the District will assume financial responsibility for this water line improvement. Centerra Properties West, LLC is requesting the original agreement be assigned to the District. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to accept the assignment of the water line and execute Assignment of Reimbursement Agreement between Centerra Properties West, LLC and Centerra District No. 1.

DISTRICT MANAGER'S REPORT

Mr. Shannon, District Manager, summarized the construction status for I-25 and US Hwy 34, Centerra Parkway Underpass and the Centerra Chapungu Sculpture Park. Mr. Boulter is working on a phasing plan for the landscaping project along I-25 and US Hwy 34. Wilson Engineering continues progress on the design of the Kendall Parkway and I-25 Underpass. It is anticipated that this work will commence contemporaneously with construction of the I-25 and Hwy

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34 improvements. Mr. Boulter noted that there will eventually be 80 sculptures on the 26 acre Centerra Chapungu Sculpture Park site. The desired completion date for this project is early August to coincide with the Loveland Sculpture in the Park annual event. The developer is installing the landscape which will be acquired by the District and maintained by the Centerra Commercial Owners Association.

LEGAL REPORT

Mr. Pogue reported that he would draft rules and regulations for management of the Centerra Chapungu Sculpture Park for the Board's consideration at the April meeting. He noted that there will be both passive and active use of the facilities and the Board will need to establish policy for these activities. He reported that City Council had approved the mill levy cap increase for Centerra Metropolitan District No.2 (commercial district) at their March 6th meeting. Mr. Pogue stated that the District was close to finalizing the acquisitions for the rights-of-way 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 acquiring of the rights-of-way acquisition agreements of the seven properties and direct Mr. Scott, President, and Mr. Herlihey, Secretary, to execute the necessary documents.

CONSTRUCTION MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that the steel for the Centerra Parkway Railroad Underpass is being set. Connell Resources will begin installing concrete and asphalt on the north side of the underpass. Mr. Walker noted there had been progress on the final design for Boyd Lake and relocating the dry utilities. He stated that there is a 50/50 chance that sleeves will be installed prior to irrigation water running this spring. Mr. Mabry noted he had discussed these improvements with the High Plains Village Homeowner Association.

Mr. Knopinski reported he was currently working on the Grand Station project. He noted his efforts on negotiations to relocate the Greeley water line and design of the Centerra Parkway turn lane. The WAPA electric lines will also need to be relocated. He also stated that plans for Grand Station phase two included a new water line.

ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, noted that his firm was close to getting approval for the interchange lift station design and the project would be bid in the next six weeks. He noted that the lift station capacity flow calculations may need to be reviewed due to the new Grand Station project.

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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