

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 19, 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, April 19, 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
Ken Howell, Treasurer
Dan Herlihey, Secretary
Phil Hodgkinson, Vice President/Assistant Secretary

Directors in Absent and Excused:

None

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
Jay Hardy, McWhinney
Jeff Barnes, City of Loveland
Stan Myers, Northern Engineering
Dwayne Walker, Empire Construction Management
JP Mangone, Empire Construction Management
Carla Hawkins, Pinnacle Consulting Group, Inc.

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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. Everyone in attendance introduced themselves to Mr. Hardy, who will be involved in certain management and operational aspects of the Centerra Chapungu Sculpture Park.

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 March 15, 2007 meeting were presented. Director Herlihey noted one correction that the east lift station should be changed to interchange lift station. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the minutes of the March 15, 2007 as revised.

PAYABLES

Ms. Dowswell presented the Schedule of Payables as of April 12, 2007 totaling \$119,986.00 including checks 2153 through 2156 and as of April 19, 2007 totaling \$1,238,352.21 including checks 2157 through 2195. The Board

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reviewed the payables and upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

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

Ms. Dowswell presented the Schedule of Cash Status as of March 31, 2007 and updated as of April 19, 2007. Ms. Dowswell reviewed the cash balances in each of the Districts' accounts and explained the revenue sources.

MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted that it was necessary to submit a Monthly Payment Certificate to American National Bank for March 2007, to fund administrative and operation costs, in the amount of \$90,000. Upon motion duly made by Director Hodgkinson, and seconded by Director Howell, it was

RESOLVED to approve the Monthly Payment Certificate in the amount noted above and authorize Director Howell, as Treasurer, to execute the Certificate.

QUARTERLY BNP COMPLIANCE CERTIFICATE

Ms. Dowswell presented the Quarterly Compliance Certificates 1st Quarter 2007 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 Quarterly Compliance Certificates for the 1st Quarter of 2007 and authorize Director Howell to execute the Certificates.

RIGHT OF WAY ACQUISITIONS

Director Herlihey reported that acquisition agreements for the Centerra Parkway North rights-of-way had been circulated to all the parties. There had been one closing to-date. Mr. Pogue discussed the status of the property transfer from the church to the District, noting that the City Attorney will need to approve the subordination of a deed of trust against the church property. He also mentioned that drainage issues had been resolved. It is anticipated that the remaining closings will be complete within 20 days. PIF revenue and developer advances will fund these transactions.

The Board also discussed acquisition of the PITA, LLC property located at 7165 East Highway 34 (the southeast edge of Centerra East). This property is scheduled to close within 30 days. Mr. Mabry was asked to coordinate updating and revising the Phase 1 report on this property.

LAND CONVEYANCE

Director Herlihey updated the Board on the conveyance of thirteen parcels to the District. He noted that deeds for eleven of the parcels were completed and scheduled to be recorded. Director Herlihey reported that property northeast of

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the RV Park was initially expected to be acquired in fee, but at this time the District will acquire only a landscape easement on that property. The detention pond on parcel 102 easement will be complete once the amended plat is completed.

Mr. Boulter noted that the Centerra Chapungu Sculpture Park improvements would be funded by Centerra Properties West, LLC and may eventually be conveyed to the District. Ongoing maintenance and operation responsibilities for the Centerra Chapungu Sculpture Park are currently being evaluated. Mr. Pogue noted that in the event the land comprising the Centerra Chapungu Sculpture Park is ultimately conveyed to the District, the conveyance agreement would stipulate that the ownership of the land would revert back to Centerra Properties West, LLC if it is not used for public purposes. Director Howell commented on sale vs. donation of the property.

LEGAL REPORT

Mr. Pogue reported that City Council would be considering the Centerra Metropolitan District Service Plan amendment at their May 1st meeting. This amendment permits the exclusion of residential units from Districts #2 and #4. This coincides with approval of the 2nd Amendment to the Millennium GDP.

Mr. Pogue also noted that the district consultants would be discussing the overall construction documentation and dedication process for public improvements. Mr. Pogue, Mr. Shannon, and Mr. Dwayne Walker will report back to the Boards once this evaluation is complete.

CONSTRUCTION MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that Union Pacific Railroad should be re-setting the Bridge for the Centerra Parkway Railroad Underpass. He stated that the Boyd Lake Avenue shoe fly had been completed.

Mr. Boulter noted that dirt has been moved and the sculpture bases have been set and trees are being trimmed at the Chapungu Sculpture Park. The landscape installation contract was awarded to CoCal by the developer.

Directors' Scott and Perry noted that Valley Crest Landscaping had been asked to provide a life cycle strategy for installation of plants throughout Centerra.

ENGINEER'S REPORT

Mr. Stan Myers, Northern Engineering, noted that the City of Loveland had approved the interchange lift station and was awaiting approval from the State of Colorado. It is hopeful that the state will give their approval within 30 days to allow for the project to be bid. Director Herlihey noted that conveyance agreements were being circulated for review and approval. These agreements outline maintenance responsibilities of the building's exterior and the landscaping.

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PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Mr. Jeff Barnes, City of Loveland, asked about the ramifications of excluding residential properties from the boundaries of Districts Nos. 2 and 4. Mr. Shannon, District Manager, indicated that any property excluded from the Districts' boundaries remains responsible for its share of the Districts' outstanding debt at the time of the exclusion. However, the excluded property would not be responsible for payment of any mill levies certified for operations and maintenance costs after the exclusion, nor for any mill levies certified for debt incurred after the exclusion.

Director Scott requested that staff prepare a Frequently Asked Questions item explaining the impact of excluding property from the Districts' boundaries. 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