

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
July 20, 2006

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, July 20, 2006. 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
Ken Howell, Treasurer
Dan Herlihey, Secretary
Phil Hodgkinson, Asst Vice President/Secretary

Directors Absent:

Douglas Hill, President (absence excused)

Also in Attendance:

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

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. Introductions were made.

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

RECORD OF PROCEEDINGS

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 Districts.

AGENDA

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

APPROVAL OF
MINUTES

The Minutes of the May 18, 2006 meeting were presented. Upon further discussion and upon motion duly made by Director Herlihey, seconded by Director Howell, it was unanimously

RESOLVED to approve the minutes of the May 18, 2006 meeting as presented.

PAYABLES

Ms. Dowswell presented the Cash Status Report as of July 20, 2006. She also presented the Schedule of Payables as follows: May 1, 2006 totaling \$6,000.00 including check nos. 1758 through 1761; June 7, 2006 totaling \$3,055.00 including check no. 1800; June 21, 2006 totaling \$10,361.37 including check no. 1831; and July 20, 2006 totaling \$930,437.23 including check nos. 1835 through 1873. The Board reviewed the payables and upon motion duly made by Director Howell, seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the Schedules of Payables in the amounts, check numbers and dates noted above.

MONTHLY PAYMENT
CERTIFICATION

Ms. Dowswell presented the Monthly Payment Certificate to American National Bank for April – July 2006, to fund administrative and operation costs in the amount of \$142,562.50. Upon motion duly made by Director Herlihey, and seconded by Director Hodgkinson, it was

RESOLVED to approve the Monthly Payment Certificate in the amount noted above and authorize Director Perry to execute the Certificate.

BNP COMPLIANCE
CERTIFICATES

Ms. Dowswell stated that the District is required to file quarterly and annual compliance certificates with BNP, the Bond letter of credit provider. She presented the 2005 Annual Certificate, and the 1st and 2nd Quarter 2006 Compliance Certificates. Upon motion duly made by Director Perry and seconded by Director Hodgkinson, it was unanimously

RECORD OF PROCEEDINGS

RESOLVED to approve the BNP 2005 Annual Compliance Certificate and the Quarterly Compliance Certificates for 1st and 2nd quarters of 2006, and authorize Director Howell to execute the Certificates.

CENTERRA PARKWAY
UNDERPASS
CONSTRUCTION &
MAINTENANCE IGA

Mr. Shannon presented an Intergovernmental Agreement between the District, the City of Loveland and the Union Pacific Railroad for Centerra Parkway Underpass for Construction and Maintenance of the Bridge. He noted that City Council had approved this agreement. Upon motion duly made by Director Howell and seconded by Director Herlihey, it was unanimously

RESOLVED to ratify approval of the Centerra Parkway Bridge Underpass Construction and Maintenance Intergovernmental Agreement with the City of Loveland and Union Pacific Railroad.

CENTERRA PARKWAY
UNDERPASS
MAINTENANCE IGA

Mr. Shannon presented an Intergovernmental Agreement between the District and the City of Loveland for Centerra Parkway Underpass Maintenance of the Bridge. He noted that the City would be responsible for structural maintenance; while the District would be responsible for maintenance of the architectural upgrades on the bridge. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the Centerra Parkway Bridge Underpass Maintenance Intergovernmental Agreement with the City of Loveland.

I-25 & US HWY 34
FINAL DESIGN IGA

Mr. Shannon remarked that the 1601 process was nearing completion. He noted that efforts were underway for final design of the interim improvements for I-25 and US HWY 34. Upon motion duly made by Director Howell and seconded by Director Herlihey, it was unanimously

RESOLVED to ratify the Intergovernmental Agreement with the City of Loveland for the final design of interim improvements at I-25 and US HWY 34.

1601 PROCESS
AGREEMENT FOR
CROSSROADS & I-25

Mr. Shannon reported that the design work was underway for I-25 and Crossroads Boulevard, in order to initiate the 1601 Process. Bond proceeds will be used to pay this design expense. The 1601 Agreement is to be executed by the District and the City. The City will enter into an IGA with Colorado Department of Transportation (CDOT). Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to ratify the 1601 Process Agreement to begin the initial design for I-25 and Crossroads Boulevard.

RECORD OF PROCEEDINGS

AWARD MCR I-25 FRONTAGE LANDSCAPING

Mr. Boulter stated that the District had solicited bids for the I-25 Frontage Landscaping adjacent to Medical Center of the Rockies. The lowest responsible bidder is Bath Landscaping. Upon motion duly made by Director Herlihey and seconded by Director Howell, it was unanimously

RESOLVED to award the bid for CW-MCOR- 01 (I-25 Medical Center of the Rockies frontage) to Bath Landscaping.

CHANGE ORDER FOR MOTORPLEX SIGN PACKAGE

Mr. Boulter presented the rendering for the sculpture to be place in the roundabout at the Motorplex. He recommended a Change Order to Davinci's original contract, as they have installed three of the four signs and sculptures in the Motorplex. The hard costs for this sculpture at \$234,640 is within the original estimated budget. Upon motion duly made by Director Howell and seconded by Director Herlihey, it was unanimously

RESOLVED to approve Change Order No. 3 for CE-MP05 Signs (Motorplex Roundabout Sculpture) to DaVinci Signs Systems Inc.

PRPA LICENSING AGREEMENT

Mr. Boulter presented the licensing agreement between the District and PRPA (Platte River Power Authority). Mr. Shannon noted that the reason the District was a party to this agreement was to preserve the District's improvements over the conduit lines (i.e. landscaping and roads). Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

RESOLVED to approve the Licensing Agreement with Platte River Power Authority.

EASEMENTS & PARCEL CONVEYANCE UPDATE

Director Herlihey updated the Board on the easement dedications to the District, noting that now that the Millennium Consolidation had been approved, efforts proceeding with conveyance of 13 parcels, once released from collateral by loan providers. He noted that currently, easement dedications are made through the platting process. Mr. Stan Myers also noted that it might be a good time to vacate East 29th Street on the east side abutting parcel no. 606.

LEGAL REPORT

Mr. Pogue noted a few Colorado Statute changes effective July 1, 2006. He remarked that all Executive Session Board meetings need to be recorded. Arrangements will be made to have a recording device at future meetings. He noted that there was an amendment to the State Statute that as of August 9, 2006, any construction projects under \$60,000 did not have to be publicly bid. Mr. Pogue also noted that he would draft the necessary language that is required to be included in all contracts noting that contractor's and sub-contractor's employees are not illegal immigrants.

RECORD OF PROCEEDINGS

CONSTRUCTION

MANAGER'S REPORT

Mr. Dwayne Walker of Empire Management reported that construction of the shoo-fly had been put on hold due to the railroad representative being on vacation. Other projects underway include the pedestrian bridge and the open space area on the east side of The Shops. The Sewer line project is approximately 60% complete and the regional pond along the frontage road in parcel 502 is 95% complete. The Myers Group infrastructure work is wrapping up.

ENGINEER'S REPORT

Mr. Myers, District Engineer, encouraged Empire to keep up on all the documentation and inspection procedures requirements for the City of Loveland regarding the box culvert and at Centerra Parkway north.

PUBLIC

COMMENTS

The Board opened the meeting to Public Comments. Ms. Dowswell thanked Mr. Jeff Barnes for his efforts in getting receipt of the LURA funds. 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