

RECORD OF PROCEEDINGS

ADOPTED MINUTES OF THE CONTINUED
MEETING OF

LOVELAND MIDTOWN METROPOLITAN DISTRICT

HELD

December 1, 2010

The Board of Directors (collectively, "Board") of the Loveland Midtown Metropolitan District, ("District") held a continued meeting, open to the public, at the offices of Loveland Commercial, LLC, 1043 Eagle Drive, Loveland, Colorado 80537; at 10:00 am on Wednesday, December 1, 2010. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and in three public places within the boundaries of the District.

ATTENDANCE

Directors in Attendance:

Nathan Klein, Vice President
Blaine Rappe, Secretary/Treasurer (via conference call)
Eric Holsapple, Asst. Sec/Treasurer

Directors Absent and Excused:

Don Marostica, President

Also in Attendance:

Deborah Early, Icenogle, Seaver, Pogue, P.C. (via conference call)
Kirsten Starman, Pinnacle Consulting Group, Inc. (via conference call)
Peggy Dowsnell, Pinnacle Consulting Group, Inc. (via conference call)
Wayne Lewis, Loveland Commercial, LLC (via conference call)

CALL TO ORDER

The meeting was called to order at 10:00 am by Director Klein, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve. The Board recognized and approved the absence of Director Marostica from the Board meeting pursuant to Section 32-1-905(1)(g), C.R.S.

CONFLICT OF INTEREST
DISCLOSURE

Ms. Early noted that conflicts of interest for all Board Members have been filed. Ms. Early 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. Upon motion duly made by Director Klein, and seconded by Director Rappe, it was unanimously

RESOLVED to approve the agenda as presented.

RECORD OF PROCEEDINGS

APPROVAL OF MINUTES

Ms. Starman presented the minutes of the November 11, 2009 meeting. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

RESOLVED to approve the November 11, 2009 meeting minutes as presented.

2010 BUDGET AMENDMENT PUBLIC HEARING & ADOPTION

Director Rappe opened the 2010 Budget Amendment Hearing to the public. Ms. Starman 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 hearing was closed. The Board reviewed the 2010 budget and Ms. Dowswell explained that the budget needed to be amended in order to increase the Developer Repayment. The amended General Fund appropriation needs to be increased from \$91,873 to \$143,526. Upon motion duly made by Director Rappe and seconded by Director Klein, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2010 Budget and appropriate budgeted funds, and approve all other documents related to the 2010 amended budget.

2011 BUDGET HEARING AND APPROVAL

Director Rappe opened the public hearing for the 2011 budget. There being no public input, the public hearing portion of the budget hearing was closed. Ms. Dowswell reviewed the budget in detail and answered questions.

Mill is 40.00 mills.
General Fund Expenditures: \$100,313

Following further review and discussion and upon motion duly made by Director Holsapple and seconded by Director Klein, it was unanimously

RESOLVED to approve the resolution to Adopt the 2011 Budget, Set the Mill Levy and Appropriate budgeted funds upon final certification of value being received by the County on or before December 10, 2010 and approve all other documents related to the 2010 budget.

FIVE- YEAR FINANCIAL PROJECTION AND BOND FEASIBILITY

Ms. Dowswell reviewed the Five- Year Financial Projection including the Assessed Value Analysis. Discussion ensued and the Board requested the feasibility of bonding be re-addressed in the fall of 2011 when preliminary assessed values are received from the County.

PUBLIC COMMENTS

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

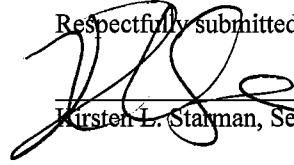
ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

RECORD OF PROCEEDINGS

The foregoing constitutes a true and correct copy
of the minutes of the above-referenced meeting.

Respectfully submitted,



Kirsten L. Stalman, Secretary for the Meeting