

RECORD OF PROCEEDINGS

MINUTES OF THE CONTINUED COORDINATED SPECIAL MEETING OF

CENTERRA METROPOLITAN DISTRICT NO. 1
CENTERRA METROPOLITAN DISTRICT NO. 2
CENTERRA METROPOLITAN DISTRICT NO. 3
CENTERRA METROPOLITAN DISTRICT NO. 4
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD
June 6, 2011

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4, and Centerra Metropolitan District No. 5 held a continued coordinated special, open to the public, at the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 3:00 p.m., Monday, June 6, 2011. Notice of the meeting has been duly posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Kim Perry, President
Tom Hall, Secretary
Doug Hill, Treasurer & Assistant Secretary
Josh Kane, Assistant Secretary/Treasurer

Directors not in Attendance:

Jay Hardy, Vice President & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue, P.C.
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Rich Shannon, Pinnacle Consulting Group, Inc.

CALL TO
ORDER

The meeting was called to order at 3:06 p.m. 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, 4, and 5.

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CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest were re-filed for all Board Members were filed with the Colorado Secretary of State's Office, 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. Upon motion duly made by Director Kane and seconded by Director Hill, it was unanimously

RESOLVED to approve the agenda.

ITEMS FROM THE ATTORNEY

Consent to Assignment of Reimbursement Agreement and Subordinate Notes

Mr. Pogue advised the Board that Centerra Properties West, LLC, the holder of certain promissory notes issued by the District pursuant to the Second Amended and Restated Advance and Reimbursement Agreement with the District, had requested the District's consent to the assignment of said promissory notes and Reimbursement Agreement to NMP3 Investments, LLC, CIP401 Investments, LLC, SMP4 Investments, Inc. and SMP5 Investments, LLC. Upon motion duly made by Director Kane and seconded by Director Hill, it was unanimously

RESOLVED to approve a Resolution evidencing the District's consent to the assignment of Centerra Properties West, LLC's rights under the Second Amended and Restated Advance and Reimbursement Agreement and the Subordinate Promissory Notes issued pursuant thereto, to NMP3 Investments, LLC, CIP401 Investments, LLC, SMP4 Investments, Inc. and SMP5 Investments, LLC, such consent to be effective as of June 6, 2011.

UPDATE ON 2011 FINANCING

Director Kane gave a brief summary on the loan stating the closing was scheduled for the following day, June 7, 2011.

Mr. Pogue requested that the Board consider ratifying the Authorizing Resolution, approved by the Boards on May 19, 2011, regarding the Direct Loan with Compass, U.S, Colorado State Bank, Colorado State Business Bank and Vectra Bank. Mr. Pogue also reviewed the Loan Agreement, Custodial Agreement, ISDA SWAP Agreement and the Capital Pledge Agreement with the Board. Upon motion duly made by Director Kane and seconded by Director Hill, it was unanimously

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RESOLVED to ratify, approve, and affirm the Authorizing Resolution and all the Loan Agreements noted above and previously approved at the May 19, 2011 meeting and to direct Ms. Dowswell to have money wired per the Loan closing instructions as part of the loan transaction and to authorize Director Kane to sign additional documents related to the RBC and BBVA swaps at the closing if necessary.

Consider Approval of Custodial Agreement with UMB Bank for the Regional Subaccount Fund.

Mr. Pogue mentioned that a new Regional Account will be established for placement of the Regional Funds and UMB Bank will be the designated custodian of this account. Upon motion duly made by Director Kane and seconded by Director Hill, it was unanimously

RESOLVED to approve the Custodial Agreement with UMB Bank and establishing the Regional Subaccount.

BOARD MEMBER
& OTHER COMMENTS

Director Kane thanked Mr. Pogue and Ms. Dowswell.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving none, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:46 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting