

RECORD OF PROCEEDINGS

MINUTES OF THE 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
May 19, 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 coordinated special meeting, open to the public, at the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 11:00 a.m., Thursday, May 19, 2011. Notice of the meeting has been duly posted with the Larimer County and the City of Loveland Clerk and Recorders and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

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

Also in Attendance:

Jim Niemczyk, McWhinney (left at 11:15)
Wendy Messinger, McWhinney
Alan Pogue, Icenogle, Seaver & Pogue, P.C.
Rich Shannon, Pinnacle Consulting Group, Inc.
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Bonnie Steele, City of Loveland
Tom Peltz, Kutak Rock (left at 1:31 p.m.)
Jonathan Heroux, Piper Jaffray & Co. (Left at 1:00 p.m.)
Tom Lafleur, Piper Jaffray & Co. (left at 1:00 p.m.)
Jeff Lindquist, RBC (left at 1:00 p.m.)
Ed Kim, BBVA (via phone starting at 11:18 p.m. until 12:10 p.m.)

CALL TO
ORDER

The meeting was called to order at 11:08 a.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

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District No. 1, with concurrence by the Centerra Metropolitan Districts Nos. 2, 3, 4, and 5.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest 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 Hardy, it was unanimously

RESOLVED to approve the agenda as presented.

APPROVAL OF MINUTES

The Minutes of the March 17, 2011 regular meeting were presented. Upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve the minutes from the March 17, 2011 regular meeting as presented.

There were no actions or representations of the District by the District Manager to ratify since the last Board Meeting.

I-25 INTERCHANGE UPDATES I-25 & US 34

Ms. Hawkins handed out Mr. Phil Weisbach's, SEH, April 25th Monthly Project Progress Briefing and budget worksheets for the I-25 & Crossroads and I-25 & US Hwy 34 Interchanges. Mr. Niemczyk, project manager, gave a brief update. He stated the landscape installation had commenced and the project should be complete in June. The project is still running below budget in an amount similar to variances projected in May, with a few cost items added for graffiti coating on the monuments and edging additions to the landscape scope.

SAVANNA PARCEL (#222)

Mr. Niemczyk noted that Northern Engineering and Empire had completed the pre-bid services for the Savanna parcel project. No further work will take place until the future owner schedules a property transaction and commences their site work.

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KENDALL PARKWAY STUDY

The city has received a final draft copy of the Kendall Parkway study assessment and is currently reviewing. The study has been commissioned to review the traffic count decrease that would be present with a Kendall Parkway connection under Interstate I-25 as measured at the US 34 and Crossroads interchanges.

APPROVAL OF CONSTRUCTION SERVICES AGREEMENT

Mr. Niemczyk stated there are no additional service agreements needed at this time.

SWAP PRESENTATION

Mr. Jeff Lindquist, RBC, first addressed the Board. He gave the RBC SWAP presentation and presented the amended ISDA Master Agreement originally approved in March of 2008.

Mr. Ed Kim, BBVA discussed the BBVA SWAP with the Board. This new direct loan would be a new deal with a 5 year maturity date, with rates at 75% of LIBOR plus 2.0625. The rate will be locked for 5 years.

Both banks have a current rating of AA. Mr. Tom LaFleur gave his opinion on the deal and noted that he thought it was fair and gave the district the most flexibility in its financing options.

The Board decided to take a recess at 12:10 p.m.

RESOLUTION RE DIRECT LOAN BBVA, U.S., COLO STATE, COLO BUSINESS, AND VECTRA BANKS

The Board reconvened the meeting at 12:25 p.m. Mr. Tom Peltz discussed the interest rate exchange agreement. He and Mr. Pogue, legal counsel, discussed the Resolution Authorizing a Promissory Note for a Direct Loan with District No.1 and Compass Bank Syndication Agent, and US Bank National Association, Administrative Agent and Colorado State Bank & Trust, Vectra Bank and Colorado Business Bank, as other Lenders, and the Resolutions Approving the Form and Authorizing the Execution of Certain Documents in Connection with the Issuance of a Promissory Note to Evidence a Committed Loan Amounts for District Nos. 2, 3, 4 & 5. After further discussion, upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to Approve the Authorizing Resolution for each of the Districts as noted above, which Authorizing Resolution authorizes the approval of all documents and instruments necessary to effect the Direct Loan, and further authorizes Director Perry, as president, Director Hall, as Secretary, and such other Board members as necessary, to sign the Resolutions, and the agreements approved and contemplated therein.

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LOAN AGREEMENT,
CUSTODIAL AGMT,
ISDA SWAP AGMT,
CAPITAL PLEDGE

Mr. Peltz and Mr. Pogue discussed the Indenture Agreement, Reimbursement Agreement, Custodial Agreement, ISDA SWAP Agreement and the Loan Agreement with the Board. They also discussed the Capital Pledge Agreement between District No. 1 and District No. 2. UMB was identified as the Trustee and US Bank will be the designated custodian. Upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve the term sheet presented by US Bank and authorize to proceed, as directed in the Authorizing Resolution approved by the Board, with entering into a loan agreement with US Bank and Compass Bank for additional funding and proceed with closing the loan on June 7, 2011.

Director Perry thanked Director Kane, Mr. Pogue and Ms. Dowswell for their time and effort in pulling together this transaction. Director Kane stated it has been a pleasure working with Mr. Peltz.

ITEMS FROM THE
FINANCE DIRECTOR

Financial Report and Approval of Payables

Ms. Dowswell presented for ratification the Schedule of Payables from April 2011, in the amount of \$188,407.46 including checks 4493 through 4526, and for approval the Schedule of Payables from May 2011 in the amount of \$126,028.80 including checks 4527 through 4550. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to ratify the April 2011 Schedule of Payables and approve the May 2011 Schedule of Payables, in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of April 30, 2011, and updated as of May 11, 2011. She also presented the financial statements as of March 31, 2011.

Ratify Approval of the Quarterly Bond Compliance Certificates:

Upon motion duly made by Director Kane and seconded by Director Hardy it was unanimously

RESOLVED to approve the ratification of the Quarterly Bond Compliance Certificates.

ITEMS FROM THE
ATTORNEY

Rescind Exclusion for Centerra Office Partners, LLC for District Nos. 2 & 4:

Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

RESOLVED to accept the request to withdraw the Exclusion Petition for Centerra Office Partners, LLC from Districts Nos. 2 & 4, and to rescind the Resolution Approving such exclusion previously adopted by the Boards.

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PUBLIC COMMENTS The Board opened the meeting to Public Comments. Ms. Bonnie Steele stated she was wrapping up her work on the City of Loveland's audit and was waiting for the District's audit to be finalized before giving her report. Upon receiving no additional comments, this portion of the meeting was closed.

ADJOURNMENT Upon motion duly made by Director Hill and seconded by Director Kane, it was unanimously

RESOLVED the Continue the Coordinated Special Meeting until 3:00 p.m. on June 6, 2011.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting