

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
July 19, 2010

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 9:30 a.m., Monday, July 19, 2010. 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, President
Jay Hardy, Vice President & Assistant Secretary
Josh Kane, Assistant Secretary/Treasurer
Doug Hill, Treasurer & Assistant Secretary
Tom Hall, Secretary

Also in Attendance:

Alan Pogue, Icenogle, Norton, Smith, Gilida, & Pogue (via phone)
Rich Shannon, Pinnacle Consulting Group Inc.
Carla Hawkins, Pinnacle Consulting Group Inc.

CALL TO
ORDER

The meeting was called to order at 11:04 a.m. by Director Kim Perry, President of the Boards, 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 notice of potential conflicts of interest for all Board Members 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. The Board was advised 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 Hill and seconded by Director Hardy, it was unanimously

RESOLVED to approve the agenda with changes to discuss the Letter of Credit provided before Resurrection Fellowship Discussion

ITEMS FROM THE ATTORNEY

Term Sheet for Primary Letter of Credit Provider

Mr. Pogue, Legal Counsel, and Director Kane updated the Board on the progress to replace the letter of credit provider for the 2008 Bonds. US Bank has agreed to replace Compass Bank as the lead letter of credit provider. Key Bank will be paid a modified termination fee with US Bank taking over part of Key Bank's interest and

Colorado Business Bank, taking the balance of Key Bank's interest. The anticipated timing of the transaction is for August 15th with a deadline not to exceed August 31, 2010. Ms. Dowswell put together an estimated cost analysis for replacing the letter of credit provider which the board reviewed. After further questions and terms were discussed, and upon motion duly made by Director Hill and seconded by Director Hardy, it was unanimously

RESOLVED to authorize up to \$800,000 in costs to replace the Compass Letter of Credit with US Bank with a deadline not to exceed August 31, 2010.

RESURRECTION FELLOWSHIP

Mr. Shannon reported that he had talked with the school pastor who in turn spoke to the new pastor of the church. They decided that the church would pay the obligation. The amount to be paid for the large parcel is approximately \$344,000. There is an additional future obligation of approximately \$40,000 to be paid. Some of the reimbursement is owed to the Metro District and some is owed to Centerra Properties West, LLC. It was Rich's understanding that the church had intended to pay the City on Friday. He is awaiting confirmation of the amount of the payment and timing. Once funds are good, the City of Loveland will then send the District a check. Mr. Shannon

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was thanked for his efforts and was asked to follow up with the pastor in a public relations effort.

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 at 11:45 a.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