

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
June 23, 2014

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 9:00 a.m., Monday, June 23, 2014. 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
Tom Hall, Secretary
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Wendy Messinger, McWhinney
Alan Pogue, Icenogle Seaver Pogue, P.C.
Jim Worley, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Peggy Dowswell, Pinnacle Consulting Group, Inc. (via phone)
Brent Worthington, City of Loveland, Finance Director
Jonathan Heroux, Piper Jaffray & Co., Managing Director

The meeting was called to order at 9:03 a.m. by Director Perry, President, 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.

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 CBPP, LLC and primary landowners and

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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 Hardy and seconded by Director Hall it was unanimously

RESOLVED to approve the agenda as presented.

DEVELOPMENT AGREEMENT

Development Agreement among Centerra Investments, LLC, CR II, LLC, CR Development Inc., Centerra Metropolitan District No. 1, The Lakes at Centerra Metropolitan District No.1, and the City of Loveland, Colorado

Mr. Pogue asked the Board to ratify the Development Agreement among Centerra Investments, LLC, CR II, LLC, CR Development Inc., Centerra Metropolitan District No. 1, The Lakes at Centerra Metropolitan District No.1, and the City of Loveland, Colorado. Upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

RESOLVED to approve the Development Agreement noted above.

INCOMPLETE PUBLIC IMPROVEMENTS AGREEMENT

Incomplete Public Improvements – Surety Bond Among City of Loveland, Colorado, Centerra Investments, LLC, CR II, LLC, CR Development Inc., Centerra Metropolitan District No. 1, The Lakes at Centerra Metropolitan District No. 2

Mr. Pogue asked the Board to consider approving the Agreement for Incomplete Public Improvements – Surety Bond Among City of Loveland, Colorado, Centerra Investments, LLC, CR II, LLC, CR Development Inc., Centerra Metropolitan District No. 1, The Lakes at Centerra Metropolitan District No. 2. Upon motion duly made by Director Hardy and seconded by Director Hall it was unanimously

RESOLVED to approve the Incomplete Public Improvements Surety Bond Agreement as noted above.

DEBT OPTIONS

Director Kane, Ms. Dowswell, and Mr. Heroux presented the existing Swaps, refinancing and new money debt options for an additional \$20 million to fund public improvements of which \$10 million would be available now. After further discussion, the consensus of the Board was to direct Director Kane and Ms. Dowswell to continue discussions with Jonathan Heroux for further funding.

OTHER MATTERS

There were no other matters brought before the Board.

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PUBLIC COMMENTS

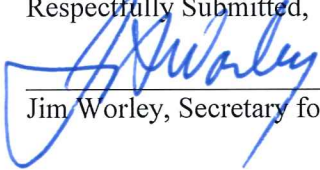
The Board opened the meeting to public comments. Upon receiving no comments, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:18 a.m.

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

Respectfully Submitted,



Jim Worley, Secretary for the Meeting