

# RECORD OF PROCEEDINGS

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## 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 17, 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, May 17, 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:

Peggy Dowswell, Pinnacle Consulting Group Inc.  
Carla Hawkins, Pinnacle Consulting Group Inc.

CALL TO  
ORDER

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The meeting was called to order at 9:35 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

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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

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Ms. Dowswell acknowledged that Mr. Pogue's office had filed the notices of potential conflicts of interest for all Board Members with the Colorado Secretary of State's

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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.

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## OATHS OF OFFICE & ELECTION OF OFFICERS

Directors Hardy and Hall took their Oaths of Office for each of the Districts. Each of their terms will expire May 2012. Directors Perry, Hill and Kane took their Oaths of Office for each of the Districts. Each of their terms will expire May 2014. The Oaths will be properly filed with Larimer County District Court and Colorado Division of Local Government.

The Board then turned to the issue of electing Officers for the Districts. Upon motion duly made by Director Kane, seconded by Director Hill and unanimously carried, the Officers were elected as follows:

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

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## 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 without changes.

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## ITEMS FROM THE FINANCE DIRECTOR

### Term Sheet for Primary Letter of Credit Provider

Director Kane and Ms. Dowswell updated the Board on the progress to replace the letter of credit provider for the 2008 Bonds. The banks are requesting a termination fee in order to substitute the letter of credit as well as an amendment fee. After further questions and terms were discussed, and upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

**RESOLVED** to authorize Director Kane to execute the U.S. Bank term sheet subject to the following terms: 1) to pay a termination fee not greater than that for Key Bank's portion and 2) to pay a one-time amendment fee not to exceed 12.5 bps and pay the \$25,000 non-refundable portion of the Arrangement Fee, per the term sheet.

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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.

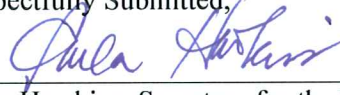
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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:07 a.m.

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

Respectfully Submitted,



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Carla Hawkins, Secretary for the Meeting