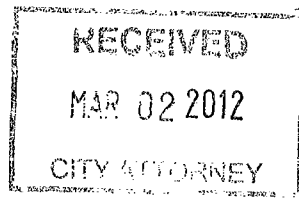


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March 1, 2012

John Duval, Esq.
City of Loveland
500 East 3rd Street
Loveland, Colorado 80537

Office of the State Auditor
200 East 14th Avenue
Denver, Colorado 80203-2211

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203

Re: Annual Report for Centerra Metropolitan Districts Nos. 1 – 5

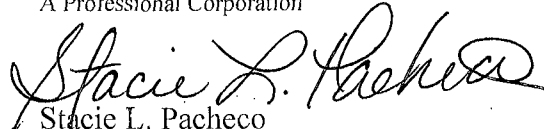
To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S. enclosed please find the 2011 Annual Report for Centerra Metropolitan Districts Nos. 1 – 5.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGL | SEAV | POGUE
A Professional Corporation


Stacie L. Pacheco
Paralegal

/SLP

Enclosure

CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 5

2011 ANNUAL REPORT TO THE CITY OF LOVELAND

Pursuant to the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 – 4 and the Amended and Restated Service Plan for Centerra Metropolitan District No. 5 (collectively, the “Districts”), the Districts are required to provide an annual report to the City of Loveland with regard to the following matters that occurred during fiscal year 2011:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements with other governmental bodies entered into or proposed.
- C. Changes or proposed changes in the Districts’ policies.
- D. Changes or proposed changes in the Districts’ operations.
- E. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- F. A summary of any litigation which involves the Districts.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of Districts’ Public Improvement Construction Schedule.
- I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City of Loveland.
- J. Summary of current assessed valuation in the Districts.
- K. Summary of financial information

For the year ending December 31, 2011, the Districts make the following report:

- A. Boundary changes made or proposed.

There have been no changes or proposed changes made to the boundaries of the Districts in 2011.

B. Intergovernmental Agreements with other governmental bodies entered into or proposed
(Copies of the following agreements are attached hereto as **Exhibit A**).

1. Revised and Restated Capital Pledge Agreement among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and UMB Bank, n.a., dated June 8, 2011; and
2. A First Amendment to the Intergovernmental Agreement among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning the Certification of Mill Levy dated June 8, 2011, regarding the manner in which District No. 2 and District No. 4 shall certify their respective mill levies; and
3. Loan Agreement and Note by and among 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, Compass Bank, U.S. Bank National Association, Vectra Bank Colorado, BOKF, N.A., and Colorado Business Bank dated June 8, 2011; and
4. First Amended and Restated Collection Agreement among Centerra Metropolitan District No. 1, City of Loveland, Centerra Public Improvement Collection Corporation, Centerra Retail Sales Fee Corporation, and G&I Retail Prom, LLC dated January 1, 2012.

C. Changes or proposed changes in the Districts' policies.

There have been no changes or proposed changes in the Districts' policies in 2011.

D. Changes or proposed changes in the Districts' operations.

There have been no changes or proposed changes in the Districts' operations in 2011.

E. Any changes in the financial status of the Districts including revenue projections, or operating costs.

On June 8, 2011, Centerra Metropolitan District No. 1 authorized the incurrence of indebtedness in the form of a loan from certain lenders in the amount of \$130,920,000 for the purpose of refunding District No. 1's Variable Rate Refunding and Improvement Revenue Bonds, Series 2008 and financing additional public improvements ("Loan"), and authorized the issuance of a promissory note ("Note"). In addition, Centerra Metropolitan Districts Nos. 2 – 5 agreed to pledge certain revenues for the repayment of the Loan and Note. Copies of the authorizing resolutions for Districts Nos. 1 – 5 are attached hereto as **Exhibit B**.

Revenue projections and operating costs for the Districts for 2011 are reflected in the Districts' 2012 Budget Resolutions attached hereto as **Exhibit C**.

F. A summary of any litigation which involves the Districts.

In 2009, Centerra Metropolitan District No. 1 filed an action, in the District Court in and for Larimer County, Colorado (Case No. 2009CV1263) against Poag & McEwen Lifestyle Centers-Centerra, LLC ("P&M"), Andrew Miller, and Centerra Lifestyle Center, LLC seeking injunctive relief, as a third-party beneficiary of a provision in an agreement entered into between Poag & McEwen Lifestyle Centers – Centerra, LLC ("P&M"), and McWhinney Centerra Lifestyle Center, LLC ("MCLC").

Specifically, District No. 1's complaint asserted that P&M protested the valuation for tax assessment of The Shops at Centerra, below the amount of \$190.00 per square foot. This protest, the District alleged, was done without the consent of MCLC, and thus done in direct violation of the contract provision prohibiting such a protest, which provision was and is included in the contract for the benefit of the District.

The Court ordered the dismissal of this case on June 6, 2011, upon consideration of the Parties' Stipulated Voluntary Dismissal of Action.

G. Proposed plans for the year immediately following the year summarized in the annual report.

1-25 and US 34: Warranty Review, Aesthetic improvement acceptance and transition to District maintenance, July 2012;
Parcel 222: Design and construction of public improvements
Parcel 206: Design of public improvements.
Parcel 505, 606: Conceptual Design work.

H. Status of Public Improvement Construction Schedule.

1-25 & Hwy 34, Construction: 100% Complete, currently under warranty coverage until June 2012
1-25 & Crossroads, Construction: 100% complete
Parcel 222: Design of Savannah First Public Improvements

I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by Loveland.

Myers Group Partnership #949 Third Subdivision Phase II – Punch list items for final acceptance were completed and accepted November 3, 2010.

J. Submission of current assessed valuation in the District.

The Districts have received a certification of valuation from the Larimer County Assessor that reports the following net total taxable assessed valuations for 2011:

Centerra Metropolitan District No. 1: \$150

Centerra Metropolitan District No. 2: \$1,088,191
Centerra Metropolitan District No. 3: \$105,356
Centerra Metropolitan District No. 4: \$1,040,901
Centerra Metropolitan District No. 5: \$854

K. Summary of Financial Information.

1. A summary of the Districts' assessed valuation is set forth in Paragraph J above.
2. The total acreage in the Districts as of December 31, 2011 is 1897.6 acres.

District #1 – 14.024 acres
District #2 and #4 (overlap each other) – 1414 acres
District #3 – 334.841 acres
District #5 – 134.735 acres

3. The following items required to be included in this Annual Report for Centerra Metropolitan District No. 1 will be set forth in detail in District No. 1's audited financial statements for fiscal year 2011, which statements will be transmitted to the City, by Pinnacle Consulting Group, Inc., once completed.

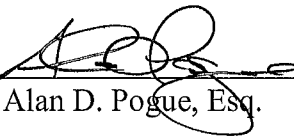
- (1) The Districts' indebtedness (stated separately for each class of debt).
- (2) The Districts' debt service (stated separately for each class of debt).
- (3) The Districts' tax revenue.
- (4) Other revenues of the Districts.
- (5) Public improvement expenditures.
- (6) Other District expenditures.

Please refer to Districts Nos. 2 – 5's 2012 Budget Resolutions, attached hereto as **Exhibit C**, for information regarding the above listed items for Districts Nos. 2 – 5.

The foregoing Annual Report and accompanying exhibits are submitted this 29th day of February, 2012.

Sincerely,

ICENOGLE | SEAVER | POGUE
A Professional Corporation

By: 
Alan D. Pogue, Esq.

Centerra\MISC\SLP1353022312
1066.0024.2

EXHIBIT A
INTERGOVERNMENTAL AGREEMENTS

REVISED AND RESTATED CAPITAL PLEDGE AGREEMENT

This **REVISED AND RESTATED CAPITAL PLEDGE AGREEMENT** (the “**Agreement**” or “**Pledge Agreement**”), is made and entered into and dated as of June 8, 2011 by and between CENTERRA METROPOLITAN DISTRICT NO. 1 (the “**District No. 1**”), CENTERRA METROPOLITAN DISTRICT NO. 2 (the “**District No. 2**”) and UMB BANK, n.a. in its capacity as custodian (including any successor acting in such capacity, the “**Custodian**”). The District No. 1 and the District No. 2 are collectively referred to as the “**Districts**.” Said Districts are quasi-municipal corporations and political subdivisions of the State of Colorado. All capitalized terms used herein and not otherwise defined shall have the meanings assigned them in Article I hereof

RECITALS

WHEREAS, the formation of the Districts was approved by the City of Loveland, Colorado (the “**City**”) on January 20, 2004, in conjunction with its approval of a Consolidated Service Plan (as more particularly defined herein, the “**Service Plan**”) for the Districts and Centerra Metropolitan Districts Nos. 3 and 4; and

WHEREAS, under the Service Plan, the Districts are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of public infrastructure serving development within District No. 2 and Centerra Metropolitan District Nos. 3 and 4 (as more particularly defined herein, the “**Authorized Projects**”), all as more particularly provided in the Service Plan; and

WHEREAS, the Districts were organized with the approval of the City, and with the approval of the Districts’ respective electors, such approvals fully contemplating cooperation between the Districts as provided herein and in the Service Plan; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the Service Plan has been prepared pursuant to Sections 32-1-201, C.R.S. et seq., and all required governmental approvals have been obtained therefor; and

WHEREAS, the Districts have determined that the Authorized Projects were generally contemplated by the Service Plan, are needed and will benefit District No. 2, its residents, property owners and taxpayers; and

WHEREAS, the Districts have previously entered into that certain District Facilities Construction and Service Agreement dated as of July 29, 2004 (as amended, the “2004 Master IGA”), pursuant to which the Districts agreed to cooperate to acquire, construct, operate and maintain the Authorized Projects as contemplated by the Service Plan and the MFA and, in particular, District No. 2 agreed to impose an ad valorem property tax levy and pay the proceeds thereof to or at the direction of District No. 1 for the payment of certain revenue obligations of District No. 1, which 2004 Master IGA was subsequently been amended and restated in its

entirety by an Amended and Restated District Facilities Services Agreement dated February 21, 2008, for the purpose of excluding from the 2004 Master IGA any obligations therein with respect to the funding of capital costs which are addressed in this Pledge Agreement; and

WHEREAS, in accordance with the Service Plan and 2004 Master IGA, the Districts anticipate that District No. 1 will issue, from time to time, senior or subordinate revenue bonds or related revenue obligations (as more particularly defined herein, the "Revenue Obligations") for the purpose of funding the acquisition, construction, installation and provision of Authorized Projects; and

WHEREAS, pursuant to the terms of that certain Loan Agreement dated as of June 8, 2011, as the same may be amended or substituted from time to time (the "Loan Agreement"), by and among (i) District No. 1, in its capacity as the borrower, (ii) District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4 and Centerra Metropolitan District No. 5, (iii) Compass Bank, an Alabama state chartered banking association, as syndication agent, joint lead arranger, joint book runner and lender, (iv) U.S. Bank National Association, a national banking association, as administrative agent, joint lead arranger, joint book runner and lender and (v) other financial institutions that are a party thereto from time to time as lenders, a loan in the form of multiple advances is to be made to the District No. 1 for the purpose of refunding the District's Variable Rate Refunding and Improvement Bonds, Series 2008, issued in the aggregate principal amount of \$112,000,000 which are currently outstanding in the principal amount of \$110,920,000 and financing capital improvements or reimbursing District No. 1 obligations for capital improvements previously constructed, all of which constitute or will constitute Authorized Projects, in the aggregate amount of up to \$20,000,000; and

WHEREAS, pursuant to the Loan Agreement, District No. 1 is to incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, in connection with the execution and delivery of the Loan Agreement there is to be executed and delivered the Custodial Agreement dated as of June 8, 2011 (as amended or supplemented from time-to-time, the "Custodial Agreement"), among District No. 1, The Centerra Public Improvement Collection Corporation, UMB Bank, n.a., as custodian and U.S. Bank National Association, as administrative agent (on behalf of lenders); and

WHEREAS, in connection with the issuance of the 2011 Note, the Districts now desire to enter into this Capital Pledge Agreement to provide for a portion of the payment of the 2011 Note and any other Revenue Obligations (as defined and subject to the limitations provided herein), as more particularly provided herein; and

WHEREAS, District No. 2 has, by the terms of this Agreement, pledged certain revenues to District No. 1 for the payment of the 2011 Note and all other Revenue Obligations and covenanted to take certain actions with respect to generating such revenues, for the benefit of the Lenders and the Swap Providers; and

WHEREAS, at an election of the qualified electors of District No. 2 duly called for and held on May 4, 2004 (the "Election"), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at such election voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of funding certain improvements and facilities, including the Authorized Projects, as follows:

Original Authorization	
<u>Purpose</u>	<u>Amount</u>
Streets	\$350,000,000
Traffic and Safety Controls	350,000,000
Water	350,000,000
Sewer	350,000,000
Parks and Recreation	350,000,000
Transportation	350,000,000
TV Relay	350,000,000
Mosquito Control	350,000,000
Fire Protection	350,000,000

WHEREAS, after taking into consideration the debt represented by the 2004 Master IGA which has been allocated and used by District No. 2 as of the date of this Pledge Agreement, but not including any authorization which may be allocated in connection with the issuance of the 2011 Note, the remaining Election authorization is as follows:

Remaining Authorization	
<u>Purpose</u>	<u>Amount</u>
Streets	\$297,346,784
Traffic and Safety Controls	346,664,689
Water	341,440,496
Sewer	324,181,031
Parks and Recreation	335,932,400
Transportation	349,874,600
TV Relay	350,000,000
Mosquito Control	350,000,000
Fire Protection	350,000,000

WHEREAS, District No. 2 will allocate to the Election all of the indebtedness represented by this Pledge Agreement, in closing documentation delivered in connection with the issuance of the 2011 Note in accordance with the actual improvements financed as a result of this Pledge Agreement and will, upon the issuance of additional Revenue Obligations, allocate additional electoral authority as applicable; and

WHEREAS, District No. 2 has determined and hereby determines that the execution of this Pledge Agreement, and the issuance of the 2011 Note and of additional Revenue Obligations which may be issued in the future for the provision of the Authorized Projects, is in the best interests of District No. 2 and the residents, property owners, and taxpayers thereof;

WHEREAS, all amendments to this Agreement made pursuant hereto and not in specific conflict with specific limits of the ballot questions, which authorized the debt represented by this Agreement, shall be deemed part of this Agreement and fully authorized by such ballot questions.

COVENANTS

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement; and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 2.1 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

Section 1.02. Definitions. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below.

In addition, the following terms, as used in this Agreement, shall have the meanings set forth in the Custodial Agreement: “*Collateral Revenue Fund*”; “*Debt Service Fund*” and “*Secured Obligations*”.

In addition, the following terms, as used in this Agreement, shall have the meanings set forth in the Loan Agreement: “*Administrative Agent*”; “*Borrower Termination Payment*”;

“Estimated Annual Debt Requirement Obligation”; “Interest Rate Exchange Agreement”; “Lenders”; “Provider Termination Payment” and “Swap Provider”.

The following terms, as used in this Agreement, shall have the meanings set forth in the MFA: *“LURA Administrative Fee” and “School Increment”.*

(a) “Additional District Costs” shall mean costs of District No. 1 related to the acquisition, construction, installation, equipping, operation and maintenance of the Authorized Projects and any other lawful purpose permitted under the Service Plan and the MFA, to the extent not funded from proceeds of Revenue Obligations, as set forth in any budget of District No. 1, prepared, submitted and approved in accordance with the 2004 Master IGA.

(b) “Additional District Payment Obligation” shall mean District No. 2’s obligation to pay the Additional District Costs in accordance with the provisions hereof, but solely from District Base Tax Revenues, to the extent available.

(c) “Agreement” or “Pledge Agreement” shall mean this Agreement and any amendment hereto made in accordance herewith.

(d) “Authorized Projects” shall mean improvements and facilities contemplated in the Service Plan and the MFA, the debt for which was approved at the 2004 Election.

(e) “Board” or “Boards” shall mean the lawfully organized Boards of Directors of the Districts.

(f) “Board of County Commissioners” shall mean the Board of County Commissioners for Larimer County, Colorado.

(g) “Custodial Agreement” shall have the meaning assigned it in the Recitals hereof.

(h) “Debt Payment Obligation” shall mean District No. 2’s obligation to pay the Secured Obligations in accordance with the provisions hereof, but solely from District Net TIF Revenues and Specific Ownership Taxes, to the extent available, and upon the TIF Termination Date from District TIF Termination Revenues.

(i) “District No. 1” shall mean Centerra Metropolitan District No. 1.

(j) “District No. 2” shall mean Centerra Metropolitan District No. 2.

(k) “District No. 3” shall mean Centerra Metropolitan District No. 3.

(l) “District Base Tax Revenues” shall mean the portion of revenues resulting from the imposition of the Required Mill Levy by District No. 2 against the base assessed

valuation of District No. 2, as determined and adjusted in accordance with the Urban Renewal Act; provided, however, that Base Tax Revenues do not include Specific Ownership Taxes or District TIF Termination Revenues.

(m) "District Net TIF Revenues" shall mean the revenues resulting from the imposition of the Required Mill Levy by District No. 2, less the District Base Tax Revenues, less a portion of the LURA Administrative Fee and School Increment determined by District No. 1 to be allocable to revenues generated by the imposition by District No. 2 of the Required Mill Levy, taking into account the total amount of TIF Revenues anticipated to be generated by all taxing entities in such year; provided, however, that District Net TIF Revenues do not include Specific Ownership Taxes or District TIF Termination Revenues.

(n) "District TIF Termination Revenues" means the revenues resulting from the imposition of the Required Mill Levy by District No. 2 on and after the TIF Termination Date.

(o) "Districts" shall mean District No. 1 and District No. 2 collectively, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any District, if applicable.

(p) "Effective Date" shall mean the date on which District No. 1 issues the 2011 Note.

(q) "Financing Documents" shall mean the Loan Agreement, the Fee Letters, the Custodial Agreement, any Interest Rate Exchange Agreements, and any other resolution, indenture, reimbursement agreement or other agreement entered into or adopted by District No. 1 in connection with the issuance of Revenue Obligations.

(r) "Fund Balance Requirement" means 1/12 of the amount identified in subparagraph (h) of the definition of Estimated Annual Debt Requirement Obligation in the Loan Agreement.

(s) "LURA" shall mean the Loveland Urban Renewal Authority.

(t) "Maximum Annual District No. 1 Receipts" shall mean, for any particular calendar year, the dollar amount that would result from the imposition of an ad valorem property tax levy of 50 mills on the assessed valuation of District No. 2, as of the immediately preceding December 10, as determined in accordance with the Urban Renewal Act.

(u) "MFA" shall mean the Centerra Master Financing and Intergovernmental Agreement dated as of January 20, 2004, as amended, and as the same may be further amended from time to time, among District No. 1, the City, the LURA, The Centerra Public Improvement Collection Corporation, The Centerra Public Improvement Development Corporation and Centerra Properties West, LLC.

(v) "Payment Obligation" shall mean, collectively, the Debt Payment Obligation and the Additional District Payment Obligation.

(w) "Projected Other TIF Revenues" shall mean, for any particular date on which the Required Mill Levy is to be certified in accordance with the provisions hereof, the amount of TIF Revenues estimated by District No. 1 to be generated in the immediately succeeding calendar year prior to the TIF Termination Date, less the amount thereof that would constitute District Net TIF Revenues hereunder, less a portion of the LURA Administrative Fee and School Increment determined by District No. 1 to be allocable to TIF Revenues generated by taxing entities other than District No. 2, taking into account the total amount of TIF Revenues anticipated to be generated by all taxing entities in such year; provided that all such estimates are to be based on information then available to District No. 1 with respect to mill levies anticipated to be certified by other taxing entities and assessed property values within the Urban Renewal Area, the anticipated LURA Administrative Fee and School Increment; provided further that if no such preliminary information is available to District No. 1 with respect to mill levies to be certified by, or assessed valuations of, another taxing entity, Projected Other TIF Revenues shall be calculated based upon the most recently certified mill levy and most recent certified assessed value, for such taxing entity.

(x) "Projected PIF Revenues" shall mean, for any particular date on which the Required Mill Levy is to be certified in accordance with the provisions hereof, 75% of the PIF Revenues deposited into the Collateral Revenue Fund in the immediately preceding 12 calendar months (e.g., for a Required Mill Levy certification in December 2011, such revenues received in December 2010 through and including November 2011).

(y) "Projected Residential Contribution" shall mean, for any particular date on which the Required Mill Levy is to be certified in accordance with the provisions hereof, the amount of revenues determined by District No. 1 to be payable by District No. 3 in the immediately succeeding calendar year, in accordance with the Residential District IGA.

(z) "Required Mill Levy" shall mean the debt service mill levy determined by District No. 1 in accordance with the provisions hereof, to be imposed by District No. 2 upon all of the taxable property of District No. 2, in an amount necessary to generate District Net TIF Revenues and, on and after the TIF Termination Date, District TIF Termination Revenues sufficient to pay, in the calendar year immediately succeeding the date of certification of such levy, the Estimated Annual Debt Requirement Obligation when due, taking into account amounts on deposit at the time of certification of such mill levy in the Debt Service Fund and any similar fund or account relating to Revenue Obligations (subject to clause (iv) hereof), and taking into account the Projected Residential Contribution, if any, the Projected Other TIF Revenues, if any, and, solely in the discretion of District No. 1, all or any portion of the Projected PIF Revenues, for such certification date; provided, however, that:

(i) in no event shall such mill levy be less than 35 mills or in excess of 72 mills, in both cases subject to adjustment as provided in paragraph (iii) below; and

(ii) such mill levy shall be further increased to the extent necessary to generate District Net TIF Revenues to pay any Borrower Termination Payment then due to a Swap Provider, but only to the extent that the total resulting Required Mill Levy would not exceed 50 mills (subject to adjustment as provided in paragraph (iv) below), provided that such 50 mill limitation shall not operate to limit the mill levy otherwise required to be imposed for other purposes as provided in the definition of Required Mill Levy; and

(iii) with respect to the 35 mill minimums and 72 mill maximums in this definition of Required Mill Levy, if, on or after January 20, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, such maximum and minimum mill levies shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors of District No. 1 in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues that would be generated by such mill levies, as adjusted for changes occurring after January 20, 2004, are neither diminished nor enhanced as a result of such changes; and

(iv) Notwithstanding the foregoing, there shall not be taken into account, in determining the Required Mill Levy, any of the following amounts to the extent then on deposit in the Debt Service Fund or any similar fund or account relating to Revenue Obligations:

(A) amounts representing a Provider Termination Payment,

(B) amounts eligible for release to District No. 1 in accordance with Section 2(e) of the Custodial Agreement, and

(C) the Fund Balance Requirement.

(v) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause District No. 2 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 2's electoral authorization, and if the Required Mill Levy as calculated pursuant to this definition would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 2's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(aa) "Revenue Obligation" shall mean the 2011 Note and any other bond, note, loan or financial instrument issued for the purpose of financing Authorized Projects,

whether secured on a parity with or subordinate to the 2011 Note, including refundings thereof; provided however that the aggregate principal amount of such Revenue Obligation to be issued by District No. 1, excluding refundings thereof, for which District No. 2 will be obligated to impose the Required Mill Levy hereunder shall not exceed \$350,000,000 without the prior written consent of District No. 2; and further provided that any Revenue Obligation for which District No. 2 will be obligated to impose the Required Mill Levy hereunder shall be issued in accordance with Section 32-1-1101(6)(a), Colorado Revised Statutes, as amended, and an exemption from registration available under Section 11-59-110, Colorado Revised Statutes, as amended, or any rule promulgated thereunder by the State of Colorado securities commissioner.

(bb) “Service Plan” shall mean the Consolidated Service Plan for Centerra Metropolitan District Nos. 1-4, as approved by the City of Loveland, as the same may be amended from time to time.

(cc) “Specific Ownership Taxes” shall mean the specific ownership taxes remitted to District No. 2 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Required Mill Levy.

(dd) “Subordinate District No. 2 Obligations” means any obligation of District No. 2 issued to fund public infrastructure which obligation is secured by ad valorem property taxes of the District No. 2, but is subordinate to District No. 2’s payment obligations under this Pledge Agreement. Subordinate District No. 2 Obligations shall be payable in each fiscal year only after all amounts due and owing under this Pledge Agreement for such fiscal year have been paid in full.

(ee) “Termination Date” shall mean the earlier of (i) March 20, 2048; or (ii) the date that is the later of the date on which all Revenue Obligations permitted to be issued by District No. 1 in accordance with the provision hereof and all obligations under any agreement related to such Revenue Obligations have been defeased or paid in full, or the TIF Termination Date.

(ff) “TIF Revenues” shall mean the ad valorem property tax revenues attributable to the total number of mills levied by all taxing entities in the Urban Renewal Area, less the portion of such property tax revenues attributable to the levy of property taxes by such taxing entities against a base assessed valuation of taxable property in the Urban Renewal Area, as established by Larimer County Assessor, subject to adjustment as provided in the Urban Renewal Law.

(gg) “TIF Termination Date” shall mean January 20, 2029.

(hh) “Urban Renewal Act” shall mean Section 31-25-101, et seq., Colorado Revised Statutes, as amended.

(ii) “Urban Renewal Plan” shall mean the urban renewal plan entitled “The US 34/Crossroads Corridor Urban Renewal Plan” approved and adopted by the City on January 20, 2004, as amended from time to time.

(jj) "2011 Note" shall have the meaning assigned it in the Recitals hereof

ARTICLE II

PAYMENT OBLIGATION

Section 2.01. No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved at elections held for the Districts on May 4, 2004, in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval.

Section 2.02. Funding of Secured Obligations Generally.

(a) In exchange for the execution and delivery of the Loan Agreement, the proceeds of which are to be applied to the provision of Authorized Projects, District No. 2 hereby agrees to cause the payment of such portion of the Secured Obligations as may be funded with the District Net TIF Revenues and Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, District TIF Termination Revenues) resulting from the imposition by District No. 2 of the Required Mill Levy, to the Custodian for the benefit of the Lenders and Swap Providers, in accordance with the provisions hereof

(b) The obligation of District No. 2 to pay a portion of the Secured Obligations as provided herein (the "**Debt Payment Obligation**") shall constitute a limited tax obligation of District No. 2 payable solely from and to the extent of the District Net TIF Revenues and Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, from District TIF Termination Revenues). It is hereby acknowledged that, pursuant to the Urban Renewal Law and Urban Renewal Plan, until the TIF Termination Date the District Net TIF Revenues resulting from imposition of the Required Mill Levy are payable to the LURA and that, pursuant to the MFA, the LURA has pledged the District Net TIF Revenues, among other revenues, to District No. 1 for payment of the Revenue Obligations, as more particularly provided in the MFA. The Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, District TIF Termination Revenues) and, to the extent received by District No. 2, the District Net TIF Revenues, are hereby pledged by District No. 2 to District No. 1, for the benefit of the Lenders and the Swap Providers, for the payment of the Secured Obligations in accordance with the provisions hereof. The Debt Payment Obligation shall constitute an irrevocable lien upon the Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, upon District TIF Termination Revenues) and, to the extent payable to District No. 2, the District Net TIF Revenues. The Districts hereby elect to apply all of the provisions of the Supplemental Act to this Pledge Agreement and the Debt Payment Obligation.

Section 2.03. Funding of Additional District Costs Generally.

(a) In consideration for the provision, operation and maintenance of the Authorized Projects by District No. 1 in accordance with the Service Plan and MFA, and the funding of such other lawful purposes as may be permitted by the Service Plan, District No. 2 hereby agrees to pay to District No. 1 such portion of the Additional District Costs as may be funded with the District Base Tax Revenues available to District No. 2 from imposition of the Required Mill Levy, in accordance with the provisions hereof.

(b) The obligation of District No. 2 to pay the Additional District Costs as provided herein shall constitute a limited tax obligation of District No. 2 payable solely from and to the extent of the District Base Tax Revenues. Such District Base Tax Revenues are hereby pledged by District No. 2 to District No. 1, for the payment of Additional District Costs in accordance with the provisions hereof. The obligation of District No. 2 to pay the Additional District Costs as provided herein (the “**Additional District Payment Obligation**”) shall constitute an irrevocable lien upon the District Base Tax Revenues. The Districts hereby elect to apply all of the provisions of the Supplemental Act to this Pledge Agreement and the Additional District Payment Obligation.

Section 2.04. Limitations on Payment Obligation.

(a) In no event shall the total or annual obligations of District No. 2 hereunder exceed the maximum amounts permitted under their electoral authority and any other applicable law. The entire Payment Obligation will be deemed defeased and no longer outstanding upon the payment by District No. 2 of such amount.

(b) The parties hereto acknowledge that, in addition to the direct payment by District No. 2 to District No. 1 of the Additional District Payment Obligation, District No. 1 may also receive, through operation of the Loan Agreement, the Custodial Agreement or other Financing Documents, all or a portion of the Specific Ownership Taxes pledged to the Revenue Obligations but released to District No. 1 in accordance with the Custodial Agreement to the extent not necessary for the payment thereof. In no event shall District No. 1 receive, in any year, revenues resulting from the imposition by District No. 2 of the Required Mill Levy (whether District Base Tax Revenues, Specific Ownership Taxes or, to the extent necessary on and after the TIF Termination Date, District TIF Termination Revenues) in excess of the Maximum Annual District No. 1 Receipts for such year. Any amounts in excess thereof shall be deducted by District No. 2 from the amount of District Base Tax Revenues otherwise payable to District No. 1 in the succeeding year, and shall be applied by District No. 2 to any lawful purpose (including for payment to District No. 1 in satisfaction of any obligations of District No. 2 under any other agreement with District No. 1), and the Additional District Payment Obligation in such succeeding year shall be deemed reduced in like amount. For purposes of determining the foregoing, District No. 1 agrees to promptly notify District No. 2 by December 15 of each year of the amount, if any, of any Specific Ownership Taxes released to District No. 1 in accordance with the Financing Documents. Notwithstanding any of the foregoing, this paragraph shall not operate to modify or limit

any amounts payable by District No. 2 to District No. 1 in accordance with any other agreements between such parties.

Section 2.05. Imposition of Required Mill Levy.

(a) In order to fund the Payment Obligation, District No. 2 agrees to levy on all of the taxable property of District No. 2, in addition to all other taxes, direct annual taxes in 2011, and in each year thereafter so long as Revenue Obligations remain outstanding or any obligation under any agreement related to such Revenue Obligations remains unpaid (but in no event after the Termination Date), in the amount of the Required Mill Levy. Nothing herein shall be construed to require District No. 2 to impose an ad valorem property tax levy for the payment of the Payment Obligation in excess of the Required Mill Levy or after the Termination Date.

(b) In order to facilitate the determination of the Required Mill Levy by District No. 1, District No. 2 shall provide to District No. 1: (i) on or before September 30 of each year, commencing September 30, 2011, the preliminary certification of assessed value for District No. 2 provided by the Larimer County Assessor, and the then-current base assessed valuation of District No. 2; and (ii) no later than one business day after receipt by District No. 2, the final certified assessed value for District No. 2 provided by the Larimer County Assessor (expected to be provided to District No. 2 no later than December 10 of each year), and the then-current base assessed valuation of District No. 2. In accordance with the definition of Required Mill Levy set forth herein, District No. 1 shall preliminarily determine, and provide to District No. 2, the Required Mill Levy no later than October 15 of each year, and shall finally determine, and provide to District No. 2, the Required Mill Levy no later than December 12 of each year.

(c) District No. 2 acknowledges that it has actively participated in the development of the calculation for determining the Required Mill Levy, that such calculation is designed to relate to the benefit to District No. 2 of the Authorized Projects financed by the Revenue Obligations and that, so long as made in accordance with the foregoing and the definition of Required Mill Levy herein, the determinations of District No. 1 as to the Required Mill Levy shall be final and binding upon District No. 2.

(d) This Section 2.05 is hereby declared to be the certificate of District No. 2 to the Board of County Commissioners indicating the aggregate amount of taxes to be levied for the purposes of paying the Payment Obligation due hereunder.

(e) It shall be the duty of District No. 2 annually at the time and in the manner provided by law for the levying of District No. 2's taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of District No. 2 to cause the appropriate officials of Larimer County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder.

(f) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado.

(g) District No. 2 shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

Section 2.06. Payment and Application of Revenues.

(a) District No. 2 hereby agrees to remit to District No. 1 (or, at the direction of District No. 1, to the Custodian, or any other custodian or trustee holding funds securing payment of the Revenue Obligations), as soon as practicable upon receipt, all revenues comprising Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, all District TIF Termination Revenues) and, if received by District No. 2, any District Net TIF Revenues. Such Specific Ownership Taxes (or to the extent necessary on and after the TIF Termination Date, all District TIF Termination Revenues) and District Net TIF Revenues (whether received directly from District No. 2 or from the LURA) shall be deposited by District No. 1 with the Custodian in accordance with the Custodial Agreement, or as otherwise provided in any other applicable Financing Documents. To the extent that excess revenues constituting Specific Ownership Taxes are released to District No. 1 in accordance with the provisions of the Custodial Agreement or other applicable Financing Document, District No. 1 agrees to apply the same to Additional District Costs, as permitted by law, subject to any applicable agreements pertaining to the use of Specific Ownership Taxes.

(b) District No. 2 hereby agrees to remit to District No. 1, as soon as practicable upon receipt, all revenues comprising District Base Tax Revenues. Such District Base Tax Revenues shall be applied by District No. 1 to Additional District Costs, as permitted by law, subject to any applicable agreements pertaining to the use of District Base Tax Revenues.

(c) All amounts payable by District No. 2 hereunder shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to District No. 1 (or at the direction of District No. 1, to the Custodian or any other custodian or trustee for Revenue Obligations), or such other method as may be mutually agreed to by the Districts.

Section 2.07. Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of District No. 2 in each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 2 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 2 to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

Furthermore, District No. 2 acknowledges that third parties may provide financial commitments and additional security for the Revenue Obligations and, as a result, shall be entitled to rely on the payment obligations of District No. 2 to District No. 1 contained hereunder. Accordingly, it is acknowledged by the Districts that the purpose of this Section 2.07 is to ensure that District No. 1 receives all payments due herein in a timely manner in order to pay debt service on the Revenue Obligations and to pay the Secured Obligations for the benefit of the Lenders, the Swap Providers and such third parties.

In addition, and without limiting the generality of the foregoing, the obligation of District No. 2 to transfer funds to the Custodian for each payment described herein shall survive any Court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of the Districts to properly disclose, pursuant to Colorado law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of Districts' meetings as set forth in their official minutes.

Section 2.08. Limited Defenses; Specific Performance. It is understood and agreed by District No. 2 that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of District No. 2 hereunder remains unfulfilled, District No. 2 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to District No. 1 or the Custodian or impair District No. 1's ability to receive payments due hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of District No. 2, in the event that District No. 2 believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.08, it shall, nevertheless, make all payments to the Custodian as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

Section 2.09. Future Exclusion of Property. Any property excluded from District No. 2 after the date hereof is to remain liable for the imposition of the Required Mill Levy and payment of the proceeds thereof in accordance with the provisions hereof, to the same extent as such property otherwise remains liable for the debt of District No. 2, as provided in Section 32-1-503 of Colorado Revised Statutes, as amended. In the event that any order providing for the exclusion of property from District No. 2 does not so provide and specifically indicate the liability of such excluded property for the obligations set forth herein, District No. 1 and District No. 2 hereby agree to take all actions necessary to cause the property owners of such proposed excluded property to covenant to assume all responsibilities under this Agreement, which covenants shall run with the land and shall be in a form satisfactory to District No. 1.

Section 2.10. Additional Covenants.

(a) District No. 2 will not issue or incur bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the general ad valorem taxes of District No. 2 (other than general ad valorem taxes imposed for the purpose of funding operation, maintenance and administrative costs, provided that such taxes are not imposed in excess of the amount permitted under the Service Plan after first taking into

account the imposition of the Required Mill Levy), other than obligations subject to annual appropriation, or Subordinate District No. 2 Obligations, without the prior consent of District No. 1.

(b) At least once a year as required by applicable state law, each of the Districts will cause an audit to be performed of the records relating to revenues and expenditures of the Districts. In addition, at least once a year as required by applicable state law, each District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner as required by applicable state law.

Section 2.11. Representations and Warranties of the Districts. Each of the Districts hereby makes the following representations and warranties with respect to itself:

(a) The District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) The District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Pledge Agreement. The District's execution, delivery, and performance of this Pledge Agreement has been duly authorized by all necessary action.

(c) The District is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the District to perform its obligations hereunder. The execution, delivery and performance by the District of this Pledge Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the District in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of the District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the District is a party or which purports to be binding upon the District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) The District has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of this Pledge Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the District threatened, in connection with any of the transactions contemplated by this Pledge

Agreement nor, to the best knowledge of the District is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Pledge Agreement.

(f) This Pledge Agreement constitutes the legal, valid, and binding obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

ARTICLE III

EVENTS OF DEFAULT AND REMEDIES

Section 3.01. Events of Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) District No. 2 fails or refuses to impose the Required Mill Levy or to remit the Specific Ownership Taxes, District Base Tax Revenues (or to the extent necessary on and after the TIF Termination Date, District TIF Termination Revenues) or, if received, District Net TIF Revenues, as required by the terms of this Pledge Agreement;

(b) any representation or warranty made by any party in this Pledge Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Pledge Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto; or

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment,

execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry thereof, or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

Section 3.02. Remedies for Events of Default. Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Payment Obligation shall be governed by §11-57-208 of the Supplemental Act and this Pledge Agreement. The District Base Tax Revenues, the District Net TIF Revenues and the Specific Ownership Taxes (and to the extent necessary on and after the TIF Termination Date, District TIF Termination Revenues) shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against any of the Districts irrespective of whether such persons have notice of such liens.

Section 4.02. No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Boards of Directors of any of the Districts, or any officer or agent of any of the Districts acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Pledge Agreement and as a part of the consideration hereof, each of the Districts and the Custodian specifically waives any such recourse.

Section 4.03. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, this Pledge Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this Pledge Agreement after its delivery for value.

Section 4.04. Limitation of Actions. Pursuant to §11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with

the authorization, execution, or delivery of this Pledge Agreement shall be commenced more than thirty days after the authorization of this Pledge Agreement.

Section 4.05. Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

To District No. 1: Centerra Metropolitan District No. 1
2725 Rocky Mountain Ave, Suite 200
Loveland, CO 80538
Attention: District Finance Director
Telephone: 970.669.3611, ext. 102
Facsimile: 970.669.3612
Email: Peggyd@pinnacleconsultinggroupinc.com

With copies to: Icenogle Seaver Pogue, P.C.
4725 South Monaco Street, Suite 225
Denver, CO 80202
Attention: Alan D. Pogue
Telephone: 303.867.3006
Facsimile: 303.292.9101
Email: APogue@ISP-law.com

To District No. 2: Centerra Metropolitan District No. 2
2725 Rocky Mountain Ave, Suite 200
Loveland, CO 80538
Attention: District Finance Director
Telephone: 970.669.3611, ext. 102
Facsimile: 970.669.3612
Email: Peggyd@pinnacleconsultinggroupinc.com

With copies to: Icenogle Seaver Pogue, P.C.
4725 South Monaco Street, Suite 225
Denver, CO 80202
Attention: Alan D. Pogue
Telephone: 303.867.3006
Facsimile: 303.292.9101
Email: APogue@ISP-law.com

To the Custodian:

(prior to effective date for the successor)
UMB Bank, n.a.
Corporate Trust & Escrow Services
1670 Broadway
Denver, CO 80202
Attention: Colleen A. Carwin, CCTS
Telephone: 303.839.2216
Facsimile: 303.839.2287
Email: colleen.carwin@umb.com

(upon the effective date for the successor)
U.S. Bank National Association
950 17th Street, 12th Floor
Denver, CO 80202
Attention: Kathleen Connelly
Telephone: 303.585.4591
Facsimile: 303.585.6865
Email: kathleen.connelly@usbank.com

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any District by written notice so provided may change the address to which future notices shall be sent.

Section 4.06. Miscellaneous.

(a) This Pledge Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Pledge Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Pledge Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. In the event of any conflict between provisions of this Pledge Agreement and the 2004 Master IGA, provisions of this Pledge Agreement shall control. No party has been induced to enter into this Pledge Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Pledge Agreement.

(b) If any term or provision of this Pledge Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Pledge Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Pledge Agreement. If any provision or part thereof of this Pledge Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that there be no third party beneficiaries of this Pledge Agreement, other than the Administrative Agent, the Lenders, any Swap Provider, the City and LURA. Nothing contained herein, expressed or implied, is intended to give to any person other than the Districts any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) This Pledge Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties. The right of District No. 1 to consent to any such assignment or transfer shall also be subject to the limitations set forth in the Loan Agreement or any similar agreement related to the Revenue Obligations.

(e) This Pledge Agreement shall be governed by and construed under the applicable laws of the State of Colorado.

(f) Venue for any and all claims brought by either Party to enforce any provision of this Agreement shall be the District Court in and for the County of Larimer, State of Colorado.

(g) This Pledge Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties. The right of District No. 1 to amend or supplement this Pledge Agreement, or to require in any year the certification by District No. 2 of Required Mill Levy of less than 35 mills, shall also be subject to the limitations set forth in the Loan Agreement or any similar agreement related to the Revenue Obligations. Further, this Pledge Agreement may be amended only upon the review and approval of such amendment by the City Manager and the City Attorney, which review and approval shall be limited to ensuring that any such amendment is consistent with the Master Financing Agreement and the Service Plan. Review and approval of any amendment by the City Manager and the City Attorney shall be completed within forty-five days after a preliminary draft of such amendment is provided to the City Manager and the City Attorney for review and within ten days after such amendment is provided to the City Manager and the City Attorney in draft form considered by the District No. 1's legal counsel to be final. In the event that neither written approval nor a written statement of rejection of such amendment is received from the City Manager and the City Attorney within any such timeframe, the amendment shall be deemed to be approved by the City. If such amendment is rejected,

the written notice thereof shall specify the reasons that such amendment is not consistent with the Master Financing Agreement and the Service Plan.

(h) If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

(i) Each party has participated fully in the review and revision of this Pledge Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Pledge Agreement. The language in this Pledge Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(j) This Pledge Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

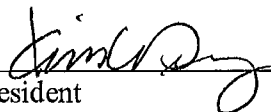
(k) District No. 2 hereby consents to the terms of the 2011 Note and the provisions of the Interest Rate Exchange Agreements. Additionally, so long as not issued in excess of \$350,000,000 (excluding refundings), and so long as applied to the costs of the Authorized Projects or refundings of other Revenue Obligations, the issuance of any additional Revenue Obligations, for which District No. 2 is obligated to impose the Required Mill Levy hereunder, shall not be subject to the consent of District No. 2.

Section 4.07. Effective Date and Termination Date. This Agreement shall become effective on the Effective Date, and shall remain in effect until the Termination Date.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Districts and the Trustee have executed this Agreement as of the day and year first above written.


**CENTERRA METROPOLITAN
DISTRICT NO. 1**

By: _____
President

ATTEST:

_____
Secretary

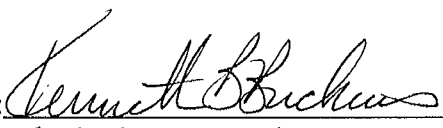
**CENTERRA METROPOLITAN
DISTRICT NO. 2**

By: _____
President

ATTEST:

_____
Secretary

UMB BANK, N.A., as Custodian

By: _____
Authorized Representative

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT AMONG
CENTERRA METROPOLITAN DISTRICT NO. 1, CENTERRA METROPOLITAN
DISTRICT NO. 2, AND CENTERRA METROPOLITAN DISTRICT NO. 4
CONCERNING CERTIFICATION OF MILL LEVY**

This FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT AMONG CENTERRA METROPOLITAN DISTRICT NO. 1, CENTERRA METROPOLITAN DISTRICT NO. 2, AND CENTERRA METROPOLITAN DISTRICT NO. 4 CONCERNING CERTIFICATION OF MILL LEVY (the "First Amendment") is made and entered into as of June 8, 2011 by and among CENTERRA METROPOLITAN DISTRICT NO. 1 ("District No. 1"), CENTERRA METROPOLITAN DISTRICT NO. 2 ("District No. 2"), and CENTERRA METROPOLITAN DISTRICT NO. 4 ("District No. 4"), collectively referred to as the "Districts." Said Districts are quasi-municipal corporations and political subdivisions of the State of Colorado.

RECITALS

WHEREAS, the Districts, entered into that certain Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy dated as of March 19, 2008 (the "Agreement"); and

WHEREAS, the Agreement was entered into in connection with the issuance of certain bonds by District No. 1, which bonds were to be repaid, in part, by revenues generated by the imposition of a mill levy by District No. 2; and

WHEREAS, the Agreement refers to that certain Capital Pledge Agreement, entered into by District No. 1 and District No. 2, dated as of March 1, 2008 (the "Capital Pledge Agreement"); and

WHEREAS, the Capital Pledge Agreement is anticipated to be amended by the parties thereto, and replaced in its entirety by that certain Revised and Restated Capital Pledge Agreement entered into by and between District No. 1 and District No. 2, dated as of June 8, 2011; and

WHEREAS, the Districts desire to amend the Agreement to conform the Agreement and make specific reference to the Revised and Restated Capital Pledge Agreement and to update certain notice information contained in the Agreement; and

WHEREAS, pursuant to Section 2 of the Agreement, the Agreement may be modified, amended, changed or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by all Districts that are a party to the Agreement.

NOW THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, and as provided in Section 2 of the Agreement, the Districts hereby agree to amend the Agreement as follows:

1. The Seventh Whereas clause of the Agreement is hereby stricken in its entirety and replaced with the following:

WHEREAS, pursuant to that certain Revised and Restated Capital Pledge Agreement dated as of June 8, 2011, as the same may subsequently be amended from time to time, District No. 2 has pledged to impose a mill levy of no less than 35 mills or in excess of 72 mills for the payment of the obligations described in that certain Loan Agreement, dated as of June 8, 2011, entered into by and among the Districts, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 5, Compass Bank, U.S. Bank National Association, and the other lenders party thereto (the "Loan Agreement") and for the payment of the obligations of any refinancing, refunding, or extension of the Loan Agreement; and

2. Section 4 of the Agreement is hereby stricken in its entirety and replaced with the following:

Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

Mailing Address for Centerra Metropolitan District No. 1

Centerra Metropolitan District No. 1
2725 Rocky Mountain Avenue, #200
Loveland, CO 80538
Attn: President

cc: District Counsel

Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.
4725 South Monaco Street, Suite 225
Denver, CO 80237

Mailing Address for Centerra Metropolitan District No. 2

Centerra Metropolitan District No. 1
2725 Rocky Mountain Avenue, #200
Loveland, CO 80538
Attn: President

cc: District Counsel

Alan D. Pogue, Esq.
Icenogle Seaver Pogue, P.C.

4725 South Monaco Street, Suite 225
Denver, CO 80237

Mailing Address for Centerra Metropolitan District No. 4

Centerra Metropolitan District No. 3
2725 Rocky Mountain Avenue, #200
Loveland, CO 80538
Attn: President

cc: District Counsel

Alan D. Pogue, Esq.
Icenogle Seaver Pogue P.C.
4725 South Monaco Street, Suite 225
Denver, CO 80237

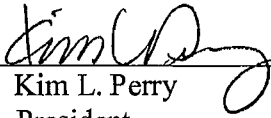
All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any District by written notice so provided may change the address to which future notices shall be sent.

3. Each and every remaining provision of the Agreement shall remain in full force and effect as stated and is not modified by this First Amendment.

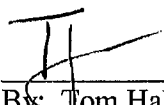
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IN WITNESS WHEREOF, the Districts hereto have executed this First Amendment as of the day and year first above written.

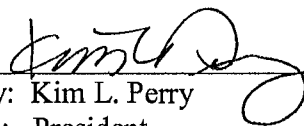
**CENTERRA METROPOLITAN
DISTRICT NO. 1**


By: Kim L. Perry
Its: President

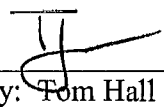
ATTEST:


By: Tom Hall
Its: Secretary

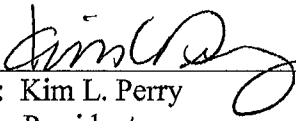
**CENTERRA METROPOLITAN
DISTRICT NO. 2**


By: Kim L. Perry
Its: President

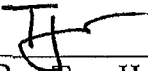
ATTEST:


By: Tom Hall
Its: Secretary

**CENTERRA METROPOLITAN
DISTRICT NO. 4**


By: Kim L. Perry
Its: President

ATTEST:


By: Tom Hall
Its: Secretary

LOAN AGREEMENT

by and among

CENTERRA METROPOLITAN DISTRICT NO. 1

as Borrower

**CENTERRA METROPOLITAN DISTRICT NO. 2,
CENTERRA METROPOLITAN DISTRICT NO. 3,
CENTERRA METROPOLITAN DISTRICT NO. 4,
CENTERRA METROPOLITAN DISTRICT NO. 5**

as Other Districts,

COMPASS BANK

as Syndication Agent, Joint Lead Arranger and Joint Book Runner,

U.S. BANK NATIONAL ASSOCIATION,

as Administrative Agent, Joint Lead Arranger and Joint Book Runner

and

the other Lenders from time to time parties hereto

Dated June 8, 2011

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "**Agreement**") is made and entered into as of the 8th day of June 2011 by and among **CENTERRA METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado, in its capacity as the borrower (the "**Borrower**"), **CENTERRA METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado ("**District No. 2**"), **CENTERRA METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado ("**District No. 3**"), **CENTERRA METROPOLITAN DISTRICT NO. 4**, a quasi-municipal corporation and political subdivision of the State of Colorado ("**District No. 4**"), **CENTERRA METROPOLITAN DISTRICT NO. 5**, a quasi-municipal corporation and political subdivision of the State of Colorado ("**District No. 5**") and together with District No. 2, District No. 3 and District No. 4, the "**Other Districts**", the financial institutions party hereto from time to time ("**Lenders**"), COMPASS BANK, an Alabama state chartered banking association (in its individual capacity, "**Compass**"), as Syndication Agent, Joint Lead Arranger, Joint Book Runner and Lender, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association (in its individual capacity, "**US Bank**"), as Administrative Agent, Joint Lead Arranger, Joint Book Runner and Lender.

RECITALS

WHEREAS, the Borrower is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in Article I hereof); and

WHEREAS, the Borrower was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Borrower, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and maintaining and operating such improvements, all in accordance with Title 32, Article 1, C.R.S. (the "**Special District Act**"); and

WHEREAS, the Board of Directors of the Borrower (the "**Board**") has determined that the interests of the Borrower and the public interest demand the design, acquisition, construction, relocation, installation and completion of certain public infrastructure and all things necessary and incidental thereto; and

WHEREAS, pursuant to Section 32-1-1101(1), C.R.S., the Borrower is authorized to incur indebtedness for the acquisition, construction, installation or completion of authorized improvements or facilities to carry out the purposes of the Borrower; and

WHEREAS, at an election of the qualified electors of the Borrower, duly called and held on May 4, 2004 (the "**Election**"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of certain ballot questions

authorizing indebtedness of the Borrower, the forms of which are contained in Exhibit H hereto; and

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, pursuant to § 32-1-1101.5(1), the results of the Election were certified by the Borrower by certified mail to the board of county commissioners of each county in which the Borrower is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to § 32-1-204.5, C.R.S. and with the division of securities created by § 11-51-701, C.R.S., within 45 days after the Election; and

WHEREAS, for the purpose of financing and refinancing certain public improvements and facilities, the Borrower has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008 in the aggregate principal amount of \$112,000,000, which are currently outstanding in the aggregate principal amount of \$110,920,000 (the "**Prior Bonds**"), pursuant to a Master Indenture of Trust dated as of March 1, 2008, between the Borrower and American National Bank, Denver, Colorado, as Trustee (the "**Prior Bonds Indenture**"); and

WHEREAS, pursuant to the Election, based upon the use of the Prior Bonds proceeds and the use of the proceeds of the bonds refunded with the Prior Bonds proceeds, the Borrower, allocated voted authorization as follows, and has remaining the following amounts of voted authorization for the following purposes:

Voted Authorization for Public Improvements			
Purpose	Principal Amount Voted	Principal Amount of Authorization Previously Used	Principal Amount of Authorization Remaining
Streets	\$350,000,000	\$52,653,216	\$297,346,784
Traffic and Safety Controls	350,000,000	3,335,311	346,664,689
Water	350,000,000	8,559,504	341,440,496
Sewer	350,000,000	25,818,969	324,181,031
Parks and Recreation	350,000,000	14,067,600	335,932,400
Transportation	350,000,000	125,400	349,874,600
TV Relay	350,000,000	0	350,000,000
Mosquito Control	350,000,000	0	350,000,000
Fire Protection	350,000,000	0	350,000,000
Refundings	700,000,000	64,440,000	635,560,000

WHEREAS, the Board has heretofore determined and does hereby determine that it is in the interest of the Borrower and its taxpayers that all of the currently outstanding Prior Bonds shall be refunded with a portion of the proceeds of the Loan; and

WHEREAS, the Board has also determined that it is necessary to acquire and construct certain additional public improvements and facilities; and

WHEREAS, for the purpose of refunding the outstanding principal amount of the Prior Bonds (the "**Refunding Project**"), financing additional public improvements and refinancing existing debt obligations incurred to construct or acquire public improvements (the "**New Project**"), funding the Reserve Fund Requirement and paying certain costs of issuance (as more particularly defined in Article I hereof, collectively, the "**Project**"), the Board has determined that it is in the best interest of the Borrower and its taxpayers to incur indebtedness in the form of a loan and to issue a promissory note (the "**Note**," as further defined in Article I); and

WHEREAS, the Borrower has made a request to the Lenders to provide financing for (i) the Refunding Project, and (ii) the New Project by making available to the Borrower a loan in the maximum principal amount of up to \$130,920,000 of which amount up to a maximum of \$10,000,000 related to the New Project will be available through multiple advances to the Borrower (as more particularly defined herein, the "**Loan**"); and

WHEREAS, the Board has determined and hereby determines that the indebtedness incurred by the Borrower pursuant to the execution and delivery of this Agreement and the issuance of the Note shall be allocated and applied against the remaining authorized indebtedness from the Election in the manner and in the amounts set forth in the Authorizing Resolution; and

WHEREAS, the Lenders are willing to enter into this Agreement and to make the Loan to the Borrower pursuant to the terms and conditions contained herein; and

WHEREAS, public improvements refinanced and financed with proceeds of the Loan benefit the Other Districts and their respective taxpayers and in order to facilitate the making of the Loan and the repayment thereof by the Borrower, the Board of Directors of each Other Districts determined that it is desirable and in the best interests of each Other District to enter into this Agreement and to make representations and covenants described herein; and

WHEREAS, the Borrower's authority to execute, deliver and issue the Note and this Agreement and perform its obligations thereunder and hereunder is authorized pursuant to the Authorizing Resolution; the provisions of the Special District Act, including Part 13 thereof; the provisions of Title 11, Article 56, C.R.S. (the "**Refunding Act**"); the provisions of Title 11, Article 57, Part 2, C.R.S. (the "**Supplemental Public Securities Act**"); and all other laws thereunto enabling; and

WHEREAS, the Note shall constitute special limited revenue obligation of the Borrower payable from and secured solely by the Pledged Revenue, subject to the limitations set forth herein; and

WHEREAS, all things necessary to make this Agreement, when executed by the parties hereto, and the Note, when executed and delivered by the Borrower as provided herein, the valid, binding, and legal obligations of the Borrower according to the import thereof, have been done and performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties hereto agree as follows.

ARTICLE I DEFINITIONS

"*Acceleration Date*" means the date on which acceleration occurs pursuant to Section 7.02 hereof

"*Administrative Agent*" means US Bank in its capacity as administrative agent for all Lenders hereunder, and not in its individual capacity as a Lender, and any successor appointed pursuant to Section 8.13 hereof

"*Administrative Agent Fee*" shall have the meaning set forth for such term in the applicable Fee Letter.

"*Advance*" means a disbursement of proceeds of the Unfunded Loan Amount pursuant to the terms hereof up to the Draw Down Committed Loan Amount.

"*Advance Period*" means a period from the Closing Date through and including September 1, 2014, unless terminated earlier or extended as provided herein.

"*Advance Request*" shall have the meaning set forth in Section 3.02 hereof

"*Affiliate*" means, with respect to any Lender, (a) any Person which, directly or indirectly, controls or is controlled by or is under common control with such Lender, and (b) any entity administered or managed by such Lender or an Affiliate thereof which is engaged in making, purchasing, holding or otherwise investing in commercial loans. A Person shall be deemed to be "controlled by" any Lender if such Lender possesses, directly or indirectly, power to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"*Annual Release Certificate*" shall have the meaning set forth in the Custodial Agreement.

"*Applicable Margin*" has the meaning set forth in Section 2.04(b) hereof

"*Assignment Agreement*" means an agreement substantially in the form of **Exhibit D** hereto or such other form reasonably acceptable to the Administrative Agent as may be agreed to by the parties thereto.

"*Assumed Rate*" means an assumed rate of interest calculated as follows: (a) on December 31 immediately preceding each calendar year in which such assumed rate is to be calculated, the Borrower shall determine the average rate of the Index during the immediately preceding six month period, or if no such index is published, of a comparable index approved by the Administrative Agent, and multiply such rate by one and one-half (1.5) (the "*Rate Average*"); provided, however, if the Custodian is required to set-aside moneys in the Debt Service Fund under Sections 2(c)(i) or 2(c)(ii)(A) of the Custodial Agreement, then such Rate Average shall be

determined by the Administrative Agent using the six-month period immediately preceding to the date on which the Custodian is required to commence such set-aside and on each December 31 thereafter for as long as the Custodian is required to continue such set-aside pursuant to the Custodial Agreement and (b) the Borrower shall assume that the rate of interest accruing on any Unhedged Portion of the Loan (as such term is defined in the definition of the "Estimated Annual Debt Requirement Obligation") is equal to the sum of the Base Margin plus 75% of the Rate Average, provided, however, that the assumed rate of interest on any Unhedged Portion of the Loan for any calendar year cannot be less than 3.50% per annum.

"*Authorized Person*" means the President of the Borrower and any other individual authorized by the Board to act as an Authorized Person hereunder and under the Custodial Agreement, provided that the Borrower has provided specimen signatures for such Authorized Person(s) to the Administrative Agent and the Custodian.

"*Authorizing Resolution*" means, as applicable with respect to a District, (i) the resolution adopted by the Board on May 19, 2011, authorizing the Borrower to incur the indebtedness of the Loan, the BBVA Interest Rate Exchange Agreement, and to execute and deliver the Note, this Agreement, and the other Financing Documents to which the Borrower is a party and, to the extent previously executed by the Borrower, confirming and affirming such previously executed Financing Documents and (ii) the resolutions adopted by the Boards of Directors of each Other District on May 19, 2011, authorizing such Other District to enter into this Agreement and the other Financing Documents to which it is a party and, to the extent previously executed by such Other District, confirming and affirming such previously executed Financing Documents.

"*Base Margin*" has the meaning set forth in Section 2.04(b) hereof

"*BBVA*" means Banco Bilbao Vizcaya Argentaria S.A.

"*BBVA/Compass Entity*" means BBVA, Compass Bank, Compass Mortgage Corporation and any subsidiary or affiliate of BBVA, Compass Bank and/or Compass Mortgage Corporation.

"*BBVA Interest Rate Exchange Agreement*" means (a) initially, the International Swap Dealers Association, Inc. Master Agreement dated June 8, 2011, between the Borrower and BBVA, as supplemented by the Schedule to the Master Agreement dated of even date therewith between the Borrower and BBVA (or assignee of BBVA as permitted by the above-referenced Schedule) and the accompanying confirmation of pricing and other pertinent terms, (b) any other interest rate exchange agreement between the Borrower and a BBVA/Compass Entity in connection with any Advance of the Draw Down Committed Loan Amount, and (c) any other interest rate exchange agreement entered into by the Borrower pursuant to Section 2.07 in substitution of an interest rate exchange agreement described in (a) or (b) above, all as may be in effect from time to time and all for the purpose of establishing a fixed rate for payment by the Borrower thereunder for purposes of synthetically fixing the interest payments on a portion of the Loan in the principal amount of \$10,000,000 and, at the option of the Borrower, any future Advances.

"*Board*" means the Board of Directors of the Borrower.

"*Bond Year*" means the twelve (12) months commencing on the second day of December of any calendar year and ending on the first day of December of the next succeeding calendar year.

"*Borrower*" shall mean the Centerra Metropolitan District No. 1 and its successors and assigns.

"*Borrower Net Swap Payment*" means, with respect to any payment date under an Interest Rate Exchange Agreement, the amount due (if any) from the Borrower to a Swap Provider in connection with a regularly scheduled payment under an Interest Rate Exchange Agreement which amount is equal to (a) the regularly scheduled payment due from the Borrower to a Swap Provider on a quarterly basis pursuant to the related Interest Rate Exchange Agreement minus (b) the regularly scheduled payment due from the Swap Provider to the Borrower pursuant to the related Interest Rate Exchange Agreement. If such number is a positive number, the Borrower Net Swap Payment due to the Swap Provider is equal to such amount. If such number is zero or a negative number, there is no amount due from the Borrower to a Swap Provider with respect to such regularly scheduled payment.

"*Borrower Termination Payment*" means the payment due, if any, from the Borrower to the Swap Provider under an Interest Rate Exchange Agreement upon early termination of all or any portion thereof and all related amounts such as collection costs and interest thereon, as more particularly described therein.

"*Business Day*" means any day on which commercial banks in Denver, Colorado and New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"*Capital Pledge Agreement*" shall mean that certain Revised and Restated Capital Pledge Agreement dated as of June 8, 2011, by and among the Borrower, District No. 2, and the Custodian, as the same may be amended or supplemented from time to time.

"*City*" means the City of Loveland, Colorado and its successors and assigns.

"*Closing Date*" means June 8, 2011.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"*Collateral*" has the meaning set forth in Section 2.10 hereof.

"*Collateral Revenue Fund*" means a fund by that name created under the Custodial Agreement and held by the Custodian.

"*Collection Agreement*" means that certain Collection Agreement, dated as of September 1, 2004, by and among the Borrower, UMB Bank, n.a., the City, the PIC, LURA, McWhinney

Centerra Lifestyle Center LLC and the Centerra Retail Sales Fee Corporation, as amended by the First Amendment to Collection Agreement dated as of March 19, 2008, and as the same may be further amended or supplemented from time to time.

"*Committed Loan Amount*" means \$130,920,000.

"*Compass*" means Compass Bank, an Alabama state chartered banking association.

"*County*" means Larimer County, Colorado and its successors and assigns.

"*County Assessor*" means the assessor of Larimer County, Colorado.

"*Custodial Agreement*" shall mean that certain Custodial Agreement dated as of June 8, 2011, by and among the Borrower, the PIC, the Custodian and U.S. Bank National Association (in its capacity as the Administrative Agent), as the same may be amended or supplemented from time to time.

"*Custodian*" shall mean initially UMB Bank, n.a., and following the date described in Section 17(b) of the Custodial Agreement, shall mean U.S. Bank National Association and its successors and assigns, in its capacity as custodian under the Custodial Agreement and not as a Lender or the Administrative Agent hereunder.

"*Debt*" of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money and reimbursement obligations which are not contingent, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others guaranteed by such Person, (vi) obligations upon which interest charges are customarily paid, (vii) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the Person, (viii) obligations subject to annual appropriation of amounts sufficient to pay such obligations, (ix) obligations in connection with indebtedness of others secured by (or which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or other encumbrance on property owned or acquired by any District, whether or not the obligations secured thereby have been assumed (only to the extent of the fair market value of such asset if such indebtedness has not been assumed by the District) and (x) all payment obligations of such Person, in addition to any obligations set forth in clauses (i) through (ix) above, arising under any swap, cap, collar, interest rate futures contract, interest rate option contract or other similar arrangement and under any foreign exchange contract, currency swap agreement, foreign exchange futures contract, foreign exchange option contract, synthetic cap or other similar agreement; provided that it is understood that Debt does not include contingent obligations of such Person to reimburse any other Person in respect of surety bonds or letters of credit to the extent that such surety bonds or letters of credit support Debt of such Person or any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of such Person. Notwithstanding the foregoing, the parties hereto understand that Debt of a District may not be debt for Colorado constitutional purposes and may be subject to annual appropriation, and any classification of such Debt hereunder shall not be construed as violating any such constitutional or other statutory limitations.

"*Debt Service Fund*" means a fund by that name created under the Custodial Agreement and held by the Custodian.

"*Default*" means an event, act or occurrence which, with the giving of notice or the lapse of time (or both), would become an Event of Default.

"*Default Period*" shall mean the period of time from the date a Lender becomes a Defaulting Lender until the earlier of the date the default is cured to the satisfaction of the Administrative Agent or the date such Defaulting Lender's Pro Rata Share of the Loan is purchased as described in Section 2.14 hereof.

"*Defaulting Lender*" shall mean a Lender who (a) has failed to make an Advance required pursuant to Section 2.01(b) hereof, (b) has failed to pay to the Administrative Agent or any other Lender an amount owed by such Lender pursuant to this Agreement when due, or (c) has become subject to a bankruptcy, receivership or insolvency proceeding, or to a receiver, trustee or similar official.

"*Default Margin*" shall have the meaning set forth in Section 2.04(b) hereof.

"*Developer*" shall mean Centerra Properties West, LLC, a Colorado limited liability company and its successors and assigns.

"*District Debt*" shall have the meaning set forth in the Master Financing Agreement.

"*District No. 2*" shall mean the Centerra Metropolitan District No. 2 and its successors and assigns.

"*District No. 2 Intergovernmental Agreement*" shall mean that certain Amended and Restated District Facilities Services Agreement dated as of February 21, 2008, by and between District No. 1 and District No. 2, as the same may be amended or supplemented from time to time.

"*District No. 3*" shall mean the Centerra Metropolitan District No. 3 and its successors and assigns.

"*District No. 3 Intergovernmental Agreement*" shall mean that certain Intergovernmental Agreement Between Centerra Metropolitan District No. 1 and Centerra Metropolitan District No. 3 Concerning the Payment of Funds Required By the Centerra Master Financing Agreement and Intergovernmental Agreement dated July 29, 2004, by and between the Borrower and District No. 3, as amended, and as the same may be further amended or supplemented from time to time.

"*District No. 4*" shall mean the Centerra Metropolitan District No. 4 and its successors and assigns.

"*District No. 4 Intergovernmental Agreement*" shall mean that certain Intergovernmental Agreement among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy dated as of

March 1, 2008, by and among the Borrower, District No. 2 and District No. 4, as the same may be amended or supplemented from time to time.

"*District No. 5*" shall mean the Centerra Metropolitan District No. 5 and its successors and assigns.

"*District TIF Termination Revenues*" shall have the meaning set forth in the Capital Pledge Agreement.

"*Districts*" and "*District*" means, collectively, the Borrower and District Nos. 2-5 and singularly either the Borrower or any of the other Districts as the context indicates.

"*Draw Down Committed Loan Amount*" means a maximum of Ten Million and 00/100 U.S. Dollars (\$10,000,000).

"*Estimated Annual Debt Requirement Obligation*" means, with respect to any calendar year, an amount equal to the sum of the following with respect to such period:

(a) the principal coming due on the Loan in such calendar year, as set forth in **Exhibit C** attached hereto;

(b) the interest coming due on the Loan in such calendar year, which interest shall be computed pursuant to (i) or (ii) below, as applicable:

(i) for any calendar year during which an Interest Rate Exchange Agreement is in effect, the Borrower shall compute interest coming due on the Loan as follows:

(A) on the portion of the unpaid principal of the Outstanding Loan Amount that is equal to the outstanding notional amount in effect for the relevant calendar year under the BBVA Interest Rate Exchange Agreement, as set forth in the "Notional Schedule" attached thereto (the "**BBVA Hedged Portion**"), the Borrower shall compute interest coming due on such BBVA Hedged Portion by assuming that the rate of interest accruing on the unpaid principal of such BBVA Hedged Portion is equal to the Swap Rate in effect under the BBVA Interest Rate Exchange Agreement; provided, however, that for any period during which an Event of Default has occurred and is continuing, the Borrower shall compute interest coming due on the BBVA Hedged Portion during that period by assuming that the rate of interest accruing on the unpaid principal of the BBVA Hedged Portion is equal to the Swap Rate in effect under the BBVA Interest Rate Exchange Agreement plus 6.50%; and

(B) on the portion of the unpaid principal of the Outstanding Loan Amount that is equal to the outstanding notional amount in effect for the relevant calendar year under the RBC Interest Rate Exchange Agreement, as set forth in the Notional Schedule attached thereto (the "**RBC Hedged Portion**"), the Borrower shall compute interest coming due on such RBC Hedged Portion by assuming that the rate of interest accruing on the unpaid principal of such RBC Hedged Portion is equal to the Swap Rate in effect under the RBC Interest Rate Exchange Agreement; provided, however, that for any period during which an Event of Default has occurred and is continuing, the Borrower shall compute interest coming due on the RBC Hedged Portion during that period by assuming that the rate of interest accruing on the

unpaid principal of the RBC Hedged Portion is equal to the Swap Rate in effect under the RBC Interest Rate Exchange Agreement plus 6.50%;

(ii) for any unpaid principal of the Outstanding Loan Amount for which an Interest Rate Exchange Agreement is not in effect (the "**Unhedged Portion**"), the Borrower shall compute interest coming due in the relevant calendar year on such Unhedged Portion at the Assumed Rate; provided, however, that at any time during any calendar year that an Event of Default has occurred and is continuing, the Borrower shall compute interest coming due on the Unhedged Portion at the Assumed Rate plus 6.50%;

(c) any fees due to any Lender pursuant to the Fee Letters in such calendar year;

(d) any amounts due to any Lender and payable by the Borrower pursuant to Section 2.13 hereof in such calendar year;

(e) amounts sufficient to replenish the Reserve Fund to the Reserve Requirement, if any;

(f) Borrower Termination Payment, if any;

(g) Prepayment Penalty, if any; and

(h) An amount equal to 1/12th of the total amount of (a) through (d) above (which additional amount is included for purposes of establishing a fund balance requirement in the Debt Service Fund on the first Business Day of the following calendar year.

"*Event of Default*" has the meaning set forth in Section 7.01 hereof.

"*Exclusion Rebate*" shall have the meaning assigned to it in the Master Financing Agreement.

"*Favorable Opinion of Special Counsel*" means, with respect to any action the occurrence of which requires such an opinion, an unqualified written opinion of Special Counsel to the effect that such action will not impair the exemption of interest on the Loan from personal income taxation under the laws of the State or the exclusion of interest on the Loan from gross income for purposes of federal income taxation and, additionally, with respect to the Favorable Opinion of Special Counsel required to be delivered under Section 3.02(f) hereof (with respect to an Advance), such opinion shall also address the tax exemption of the interest on the Advance for State and federal purposes.

"*Federal Funds Effective Rate*" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m., Minneapolis, Minnesota time on such day on such transactions received by the Administrative Agent from

three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"*Fee Letter*" means that certain Fee Letter among the Lead Banks and the Districts dated the Closing Date and that certain Fee Letter among the Lenders and the Districts dated the Closing Date. "*Fee Letters*" means two Fee Letters collectively.

"*Fee Payment Date*" means the date on which any fees described in the Fee Letters are due, but shall not include the Closing Date.

"*Financing Documents*" shall mean this Agreement, the Note, the Fee Letters, the Custodial Agreement, the Collection Agreement, Authorizing Resolutions, the Master Financing Agreement, the Service Plan, the Urban Renewal Plan, the Capital Pledge Agreement, the District No. 3 Intergovernmental Agreement, the District No. 4 Intergovernmental Agreement, the PIF Declaration, the PIF Assignment, Interest Rate Exchange Agreements, URA Plan Modification IGA, the Tax Certificate, and any other document or instrument relating hereto or thereto, as the same may be amended or supplemented from time to time in compliance with Sections 5.02(a) and 5.04(a) hereof.

"*Fiscal Year*" means the fiscal year of a District, which currently begins on January 1 of each year and ends on December 31 of such year, or any other fiscal year of such District in the event the fiscal year of such District shall be modified.

"*Flex URA Residential Rebate*" shall have the meaning assigned to it in the URA Plan Modification IGA.

"*Funding Date*" means the date of disbursement of an Advance to the Borrower.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Government Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination, consistently applied.

"*General Obligation*" means an obligation for which a District is obligated pursuant to law and contract to levy ad valorem taxes on taxable property of such District in an amount sufficient to pay such obligation and the interest thereon when due.

"*Indemnitees*" shall have the meaning set forth in Section 10.04(c) hereof.

"*Independent Accountant*" shall mean any accountant or firm of accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed and paid by any District in the exercise of reasonable care, and who, or each of whom:

- (a) Is not under the domination of such District or the Developer;

(b) Does not have any substantial interest, direct or indirect, in such District or the Developer; and

(c) Is not connected with such District as a member of the governing board of such District or the Developer, but who may be regularly retained to make annual or other similar audits of the books of such District and to certify the balance sheet and statement of changes in fund balances and of current funds, revenues, expenditures and other changes, as well as related financial information, in accordance with GAAP in a manner consistently applied.

"Independent Consultant" means any person at the time retained by or on behalf of the Borrower to carry out the duties imposed by Section 3.03 and Section 5.01(q) hereof, which person is not an employee of any Lender, District or Developer and is experienced and has a favorable reputation in the matters set forth in Section 3.03 and Section 5.01(q), as applicable.

"Index" means the one-month LIBOR rate quoted by the Administrative Agent from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that one-month LIBOR rate in effect two New York Banking Days prior to the Interest Reset Date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate rounded up to the nearest one-sixteenth percent and such rate to be reset monthly on each Interest Reset Date. If the funding of the Initial Funded Loan Amount or any Advance occurs other than on an Interest Reset Date, the initial one-month LIBOR rate shall be that one-month LIBOR rate in effect two New York Banking Days prior to the date of such funding, which rate shall be in effect until the next Interest Reset Date. The Administrative Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"Initial Funded Loan Amount" means the initial disbursement of proceeds of the Loan in the amount of \$120,920,000 made on the Closing Date.

"Initial Reserve Requirement" means \$9,296,330, an amount equal to the product of (a) the Initial Funded Loan Amount, and (b) the Reserve Contribution Percentage.

"Interest Payment Date" means (a) prior to and including the Maturity Date, March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2011, and continuing through and including June 1, 2016 and also including the Maturity Date, (b) any Acceleration Date and (c) after the Maturity Date or Acceleration Date, to the extent any amounts remain due on the Note, the first Business Day of every month.

"Interest Rate Exchange Agreement" means individually either the BBVA Interest Rate Exchange Agreement or RBC Interest Rate Exchange Agreement, as applicable; and *"Interest Rate Exchange Agreements"* means collectively the BBVA Interest Rate Exchange Agreement and the RBC Interest Rate Exchange Agreement.

"Interest Reset Date" shall have the meaning set forth in Section 2.04 hereof.

"Intergovernmental Agreement" means the Capital Pledge Agreement, the District No. 2 Intergovernmental Agreement, the District No. 3 Intergovernmental Agreement, the District No. 4 Intergovernmental Agreement or the URA Plan Modification IGA, as applicable.

"*Lead Banks*" means Compass and US Bank in their respective capacities as lead arrangers and book runners for all Lenders hereunder and any successor or assignee to either or both Compass and US Bank in such capacity.

"*Lender*" means each lender listed on the signature pages hereof, and its successors and permitted assigns; and "*Lenders*" means all of the Lenders.

"*LIBOR*" means the London InterBank Offered Rate.

"*Loan*" shall have the meaning set forth in Section 2.01(b) hereof.

"*LURA*" shall mean the Loveland Urban Renewal Authority and its successors and assigns.

"*LURA Administrative Fee*" shall have the meaning set forth in the Master Financing Agreement.

"*Master Financing Agreement*" shall mean that certain Centerra Master Financing and Intergovernmental Agreement, dated as of January 20, 2004, by and between the Borrower, the City, the PIC, LURA, the Developer and The Centerra Public Improvement Development Corporation, as amended, and as may be further amended or supplemented from time to time.

"*Maturity Date*" means June 8, 2016.

"*Maximum Annual Debt Service*" means an amount equal to \$10,065,000.

"*Net TIF Revenues*" shall mean the revenues from the TIF less the LURA Administrative Fee and the School Increment, as provided by Section 3.1 of the Master Financing Agreement and less the Exclusion Rebate, if any, and the Flex URA Residential Rebate, if any. This definition shall not be used for purposes of applying the Required Holdback (TIF Only Formula) and instead the definition of the "Net TIF Revenue" set forth in such formula shall be used.

"*New Project*" shall have the meaning set forth in the Recitals.

"*New York Banking Day*" means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

"*Non-Use Fee*" shall have the meaning set forth for such term in the applicable Fee Letter.

"*Note*" means a promissory note or notes payable to the Administrative Agent for the account of all Lenders in substantially the form attached as **Exhibit A** hereto evidencing the Loan funded by the Lenders hereunder.

"*Obligations*" shall have the meaning set forth in Section 7.04 hereof.

"*Other Districts*" means, collectively, District Nos. 2-5.

"Outstanding Loan Amount" means, at any time, the sum of the outstanding principal amount of (a) the Initial Funded Loan Amount plus (b) the aggregate principal amount of all Advances funded by the Lenders hereunder.

"Permitted Investments" means any investment or deposit permissible for governmental entities under then-applicable Colorado law.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"PIC" means The Centerra Public Improvement Collection Corporation, a non-profit corporation organized under the laws of the State of Colorado for the sole and exclusive purpose of collecting, holding and disbursing the PIF in accordance with the terms and provisions of the Master Financing Agreement and the PIF Declaration.

"PIF" means the public improvement fee in an initial amount equal to 1.25% imposed on certain defined sales of certain retailers pursuant to the PIF Declaration, which PIF was sold, transferred and assigned to the PIC pursuant to the PIF Assignment.

"PIF Assignment" means, collectively, that certain Assignment of PIF Revenue by Declarants dated August 3, 2004 and recorded with the Larimer County Clerk and recorded on October 19, 2004, at Reception No. 2004-0101587 and that certain Assignment of PIF Revenues by Declarants dated June 2, 2011, and recorded with the Larimer County Clerk and Recorder's Office on June 2, 2011 at Reception No. 20110032449.

"PIF Declaration" means that certain Declaration of Covenants Imposing and Implementing a Public Improvement Fee, recorded with the Larimer County Clerk and recorded on July 6, 2004, at Reception No. 2004-0067081, against all real property in District No. 2, as supplemented by the Supplement to the Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee, dated as of September 15, 2008 and recorded with the Larimer County Clerk and Recorder on September 23, 2008, at Reception No. 20080060629, the First Amendment to Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee dated September 18, 2008 and recorded with the Larimer County Clerk and Recorder on February 12, 2009, at Reception No. 20090008199, the Memorandum Concerning the Supplement to the Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee, dated as of February 11, 2009 and recorded with Larimer County Clerk and Recorder on February 12, 2009 at Reception No. 20090008198, and the Minor Modification to First Amendment to Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee dated January 15, 2009, as the same may be further amended or supplemented from time to time.

"PIF Revenue" means the revenues generated from the PIF pursuant to the terms of the PIF Declaration and the PIF Assignment and subject to the limitations set forth in the Master Financing Agreement.

"*PIF Term*" means the period of time commencing on the effective date of the Master Financing Agreement, or August 19, 2004, and ending on the date which is twenty-five (25) years thereafter, or August 19, 2029, unless extended as provided in the Master Financing Agreement.

"*Pledged Revenue*" means, collectively, the Primary Pledged Revenue, the Secondary Pledged Revenue and all amounts on deposit in, and investment earnings on, all funds and accounts created and existing under the Custodial Agreement, subject to the limitations set forth in the Custodial Agreement.

"*Preliminary Certified Assessed Valuation*" means the preliminary certified assessed valuation of all taxable property within the taxing entity, as calculated and recorded by the County Assessor on or about August 25 of each year, or on such other date as may be established by law for the annual preliminary certification of assessed valuation.

"*Prepayment Penalty*" shall have the meaning set forth in Section 2.06 hereof

"*Primary Pledged Revenue*" means, collectively:

- (a) the Net TIF Revenue;
- (b) the District TIF Termination Revenue;
- (c) the Residential Contribution;
- (d) to the extent that Primary Pledged Revenue set forth above in (a), (b) and (c) are insufficient to fund the disbursement requirements set forth in Section 2(c) of the Custodial Agreement, the PIF Revenue transferred by the Custodian from the PIF Revenue Account of the Collateral Revenue Fund to the PIF Debt Requirements Account of the Debt Service Fund for the purpose of funding such disbursement requirements (as such terms are defined in the Custodial Agreement); and
- (e) all Provider Net Swap Payments.

"*Principal Payment Date*" means (i) December 1 of each year, commencing December 1, 2011, and continuing through and including December 1, 2015, (ii) the Maturity Date, and (iii) any Acceleration Date.

"*Prior Bonds*" means the Borrower's Variable Rate Refunding and Improvement Revenue Bonds, Series 2008 outstanding as of the Closing Date in the aggregate principal amount of \$110,920,000, which are refinanced with a portion of the proceeds of the Initial Funded Loan Amount.

"*Prior Bonds Indenture*" means the Master Indenture of Trust dated as of March 1, 2008, as amended, between the Borrower and the Prior Bonds Trustee authorizing the issuance of the Prior Bonds.

"*Prior Bonds Trustee*" means UMB Bank, n.a., successor to American National Bank, as trustee under the Prior Bonds Indenture.

"*Pro Rata Share*" means, with respect to any Lender, the applicable percentage, as adjusted from time to time in accordance with the terms hereof, specified opposite such Lender's name on **Exhibit B** hereto which corresponds to the Committed Loan Amount.

"*Project*" means the refunding of the outstanding principal amount of the Prior Bonds, financing additional public improvements and refinancing of existing debt obligations incurred to acquire or construct public improvements authorized to be provided by the Borrower under the Service Plan, funding the Reserve Fund Requirement and paying certain costs of issuance relating to the Loan.

"*Provider Net Swap Payment*" means the amount due (if any) from the Swap Provider to the Borrower in connection with a regularly scheduled payment under the related Interest Rate Exchange Agreement which amount is equal to (a) the regularly scheduled payment due from such Swap Provider to the Borrower pursuant to the related Interest Rate Exchange Agreement minus (b) the regularly scheduled payment due from the Borrower to such Swap Provider pursuant to the related Interest Rate Exchange Agreement. If such number is a positive number, the Provider Net Swap Payment due to the Borrower is an amount equal to such number. If such number is a negative number, there is no amount due from the Swap Provider with respect to such regularly scheduled payment.

"*Provider Termination Payment*" means the payment due, if any, from the Swap Provider to the Borrower in the event of early termination of the related Interest Rate Exchange Agreement and all related amounts such as collection costs and interest thereon, as more particularly described therein.

"*RBC*" means Royal Bank of Canada.

"*RBC Interest Rate Exchange Agreement*" means (a) initially, the International Swap Dealers Association, Inc. Master Agreement dated October 25, 2004, between the Borrower and the RBC, as supplemented by the Schedule to the Master Agreement dated as of October 25, 2004 between the Borrower and RBC, as amended, and the accompanying confirmation of pricing and other pertinent terms dated as of June 8, 2011 and (b) any other interest rate exchange agreement entered into by the Borrower pursuant to Section 2.07 in substitution of the interest rate exchange agreement described in (a) above, all as may be in effect from time to time and all for the purpose of establishing a fixed rate for payment by the Borrower thereunder for purposes of synthetically fixing the interest payments on a portion of the Loan.

"*Required Holdback (TIF and PIF Formula)*" means, as of any calculation date, the amount equal to the difference between (a) the Committed Loan Amount and (b) the product of the following:

$\text{Adjusted Net Pledged Revenue} \div 1.55 \div \text{Maximum Annual Debt Service} \times \text{the Committed Loan Amount},$

where for purposes of this formula:

"Adjusted Net Pledged Revenue" means Total Pledged Revenue, less the sum of the following paid by or on behalf of the Borrower for the period of twelve consecutive months immediately preceding such calculation date (i) the School Increment, (ii) the Flex URA Residential Rebate, if any, (iii) the Exclusion Rebate, if any, (iv) the County Collection Fee, (v) the LURA Administrative Fee, and (vi) operating expenses of the Borrower incurred in the ordinary course of its business.

"Total Pledged Revenue" means the sum of (a) the Maximum TIF Revenue and (b) the following revenue collected or received by or for the account of the Borrower during the period of twelve consecutive month immediately preceding such calculation date (i) the PIF Revenue, (ii) Specific Ownership Tax Revenue and (iii) Investment Income.

"Maximum TIF Revenue" means the amount derived by multiplying the Preliminary Certified Assessed Valuation of all Public Bodies (as defined in the Master Financing Agreement) which exist as of such calculation date times the lesser of: (a) the sum of (i) the Total Mill Levy (as defined herein, but for purposes of this formula and the Required Holdback (TIF Only Formula) excludes the mill levies of District Nos. 2 and 3) as of such calculation date, and (ii) the maximum mill levy that District No. 2 and District No. 3 are obligated to impose under the Capital Pledge Agreement and the District No. 3 Intergovernmental Agreement, respectively, or (b) 180 mills.

"Investment Income" means all income generated from investment of funds established in the name of the Borrower and held by the Custodian.

"County Collection Fee" means the actual amount paid to the County for collection of property taxes.

The other capitalized terms used in the foregoing formula shall have the meaning assigned to such terms elsewhere in this Agreement.

"Required Holdback (TIF Only Formula)" means, as of any calculation date, the amount equal to the difference between (a) the Committed Loan Amount and (b) the product of the following:

Net TIF Revenue ÷ 1.30 ÷ Maximum Annual Debt Service x the Committed Loan Amount,

where for purposes of calculating this formula:

"Net TIF Revenue" means the sum of (a) Maximum TIF Revenue and (b) the following revenue collected or received by or for the account of the Borrower during the period of twelve consecutive months immediately preceding such calculation date: (i) Specific Ownership Tax Revenue and (ii) Investment Income, less the sum of the following paid by or on behalf of the Borrower for the period of twelve consecutive months immediately preceding such calculation date (1) the School Increment, (2) the Flex URA Residential Rebate, if any, (3) the Exclusion

Rebate, if any, (4) the County Collection Fee, (5) the LURA Administrative Fee, and (6) operating expenses of the Borrower incurred in the ordinary course of its business.

The other capitalized terms used in the foregoing formula shall have the meaning assigned to such terms in the definition of the Required Holdback (TIF and PIF Formula) and elsewhere in this Agreement.

"*Required Lenders*" means Lenders in the aggregate holding more than 66.67% of the Outstanding Loan Amount, provided, however, that the Required Lenders shall always include the Administrative Agent and the Syndication Agent in their individual capacities as Lenders.

"*Required Mill Levy*" shall have the meaning assigned to it in the Capital Pledge Agreement.

"*Required Mill Levy Revenues*" means, for any period, the revenues generated from the Required Mill Levy by District No. 2 less the District Base Tax Revenues, less that portion of the LURA Administrative Fee and School Increment determined by the Borrower to be allocable to revenues generated by the Required Mill Levy taking into account the total amount of TIF Revenues (as defined in the Capital Pledge Agreement) anticipated to be generated by all taxing entities in such year; on and after the TIF Termination Date, the Required Mill Levy Revenues shall also include any District TIF Termination Revenue.

"*Reserve Contribution*" means, with respect to each Advance Request, an amount equal to the product of (a) the Outstanding Loan Amount as of the date of such Advance Request (inclusive of such Advance Request) and (b) the Reserve Contribution Percentage, less, the amounts on deposit in the Reserve Fund immediately prior to such Advance Request.

"*Reserve Contribution Percentage*" means 7.688%, an amount equal to the ratio derived by dividing (a) Maximum Annual Debt Service by (b) the Committed Loan Amount.

"*Reserve Fund*" means the fund by that name established pursuant to the Custodial Agreement, to be administered by Custodian pursuant to the terms of the Custodial Agreement.

"*Reserve Requirement*" means, for any calculation date, the sum of the Initial Reserve Requirement and all Reserve Contributions deposited in the Reserve Fund pursuant to Sections 2.03, 3.02 hereof and Section 4 of the Custodial Agreement.

"*Residential Contribution*" means, the revenue generated by the ad valorem taxes levied by District No. 3 pursuant to a levy of 5 mills on taxable property within District No. 3, which revenue has been pledged by District No. 3 to the Borrower pursuant to the District No. 3 Intergovernmental Agreement and the Master Financing Agreement.

"*School Increment*" shall have the meaning set forth in the Master Financing Agreement.

"*Secondary Pledged Revenue*" means collectively the PIF Revenue (except those PIF Revenue which have become Primary Pledged Revenue) and the Specific Ownership Tax Revenue.

"*Service Plan*" means, with respect to District Nos. 1-4, the Consolidated Service Plan for the Centerra Metro Districts Nos. 1-4, as approved by Resolution #R-7-04 adopted by the City Council of the City on January 20, 2004 in accordance with Section 32-1-204.5 of the Colorado Revised Statutes as amended, as amended or supplemented from time to time, and with respect to District No. 5, the Amended and Restated Service Plan for Centerra Metropolitan District No 5, as approved by Resolution #R-31-2009 adopted by the City Council of the City on March 24, 2009, as amended or supplemented from time to time.

"*Special Counsel*" means Kutak Rock LLP, Colorado or such other attorneys selected by the Borrower with nationally recognized expertise in the issuance of tax-exempt debt.

"*Special District Act*" means Title 32, Article 1, C.R.S.

"*Specific Ownership Taxes*" shall mean the specific ownership taxes imposed by the County on motor vehicles in the State and received by District No. 2 based upon the imposition of the Required Mill Levy and paid to the Borrower pursuant to the terms of the Capital Pledge Agreement.

"*Specific Ownership Tax Revenues*" shall mean all Specific Ownership Taxes received by District No. 2 based upon the Required Mill Levy and paid to the Borrower pursuant to the terms of the Capital Pledge Agreement.

"*State*" shall mean the State of Colorado.

"*Supplemental Public Securities Act*" means Title 11, Article 57, C.R.S., as amended.

"*Swap Provider*" means (a) with respect to the BBVA Interest Rate Exchange Agreement, BBVA and its successors or assigns, (b) with respect to the RBC Interest Rate Exchange Agreement, RBC and its successors or assigns, and "*Swap Providers*" means collectively BBVA and RBC, and (c) with respect to a substitute interest rate exchange agreement entered into by the Borrower pursuant to Section 2.07 hereof, the financial institution providing the swap thereunder.

"*Swap Rate*" means the fixed rate the Borrower is obligated to pay in connection with the regularly scheduled payments to the Swap Provider under the related Interest Rate Exchange Agreement.

"*Swap Substitution Costs*" means, collectively, the actual costs incurred by the Borrower in substituting one Interest Rate Exchange Agreement for another pursuant to and in compliance with Section 2.07 hereof, which costs shall be limited to the premium payable by the Borrower to a substitute Swap Provider to obtain an Interest Rate Exchange Agreement on terms substantially similar to the agreement being substituted (including, without limitation, the same fixed rate payable by the Borrower) and reasonable swap advisory fees, legal fees, and out of pocket expenses of the Borrower.

"*Syndication Agent*" means Compass in its capacity as syndication agent for all Lenders hereunder, and not in its individual capacity as a Lender, and any successors thereto in such capacity.

"*Syndication Fee*" shall have the meaning set forth for such term in the applicable Fee Letter.

"*Tax Certificate*" means the tax compliance certificate to be signed by the Borrower, in a form acceptable to Special Counsel, relating to the requirements of Sections 103 and 141-150 of the Code.

"*TIF Revenue*" means all ad valorem tax revenue produced by the Total Mill Levy, less the Base Property Taxes as defined in the Master Financing Agreement.

"*TIF Termination Date*" shall have the meaning set forth in the Capital Pledge Agreement.

"*Total Mill Levy*" shall have the meaning set forth for such term in the Master Financing Agreement.

"*Unfunded Loan Amount*" means, as of any date of calculation, the amount equal to the Committed Loan Amount less the sum of (i) Initial Funded Loan Amount and (ii) the aggregate amount of all Advances funded by the Lenders hereunder.

"*URA Plan Modification IGA*" means the intergovernmental agreement regarding the US 34/Crossroads Corridor Renewal Plan dated September 16, 2008 among the County, the City, the District, the Developer, and LURA, as amended, and as such agreement may be further amended or supplemented from time to time.

"*URA Project Area*" shall have the meaning set forth for such term in the Master Financing Agreement.

"*Urban Renewal Plan*" shall mean and refer to, collectively, the US 34/Crossroads Corridor Renewal Plan approved by Resolutions #R-8-04, #R-13-2004, #R-39-2005, #R-76-2005 and #R-24-2008, adopted by the City Council of the City and the Flex URA Modification to the US 34/Crossroads Corridor Renewal Plan approved by Resolution #R-98-2008, adopted by the City Council of the City on September 2, 2008, as amended, and as the same may be further amended or supplemented from time to time.

"*US Bank*" means U.S. Bank National Association, a national banking association.

ARTICLE II LOAN, FEES, APPLICATION OF PROCEEDS

Section 2.01 Agreement to Make Loan; Security for the Loan. Subject to the terms of this Agreement, each Lender, severally and for itself alone, agrees as follows:

(a) Initial Funded Loan Amount. Subject to Section 2.11(b), each Lender agrees to make a loan to the Borrower on the Closing Date in an amount equal to such Lender's applicable Pro Rata Share of the Initial Funded Loan Amount.

(b) Draw Down Committed Loan Amount. Subject to Section 2.11(b), during the Advance Period, each Lender agrees to fund Advances to the Borrower up to the Draw Down Committed Loan Amount in such Lender's applicable Pro Rata Share of each Advance thereunder (each such Advance together with the Initial Funded Loan Amount, collectively the "**Loan**"). Any Advances by the Lenders shall be made only upon satisfaction of conditions set forth in Section 3.02 hereof and may be funded only during the Advance Period. Upon expiration or termination of the Advance Period, unless extended in writing by the Required Lenders, the Draw Down Committed Loan Amount shall be reduced to zero.

(c) Note. On the Closing Date, the Borrower shall execute and deliver the Note payable to the Administrative Agent for the account of all Lenders, in a principal amount equal to the Committed Loan Amount. With respect to each Advance funded by the Lenders from time to time hereunder, the Administrative Agent shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each such Advance and the amounts of principal and interest payable and paid from time to time hereunder on the Outstanding Loan Amount. In any legal action or proceeding in respect of any Advance or the Loan, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded. The Note shall evidence the obligation of the Borrower to pay the Initial Funded Loan Amount and the principal amount of each Advance funded by the Lenders hereunder, as such amounts are outstanding from time to time. The Note shall constitute a special limited revenue obligation of the Borrower payable from and secured by the Pledged Revenue and Provider Termination Payments, if any, subject to the limitations set forth herein.

Section 2.02 Fees. The Borrower agrees to perform its obligations provided for in the Fee Letters, including, without limitation, the payment of the fees and the related costs and expenses provided for therein at the times and in the amounts as set forth therein, the terms of which Fee Letters are incorporated herein by this reference as if fully set forth herein. The Administrative Agent shall compute the amount of fees due from the Borrower on each Fee Payment Date and shall provide notices of the amounts thereof (including amounts of fees required to be set-aside pursuant to Section 2(c)(i) of the Custodial Agreement) in the same manner as described in Section 2.04(c) with respect to the computation of interest.

Section 2.03 Application of Loan Proceeds. On the Closing Date, the Administrative Agent shall cause the proceeds of the Initial Funded Loan Amount in the amount of \$120,920,000 to be deposited and applied as follows:

(i) \$110,924,467.19 (consisting of principal of \$110,920,000 and accrued interest of \$4,467.19) shall be disbursed to the Prior Bonds Trustee for payment of the portion of the Purchase Price of the Prior Bonds;

(ii) \$8,776,999.43 shall be disbursed to the Custodian for further disbursement to the Borrower to be applied to pay the costs of the New Project; and

(iii) \$488,220.00 shall be applied by the Administrative Agent to pay fees to the Lead Banks on the Closing Date pursuant to the applicable Fee Letter.

(iv) \$730,313.38 shall be disbursed to the Borrower to be applied to the payment of a portion of the costs of issuance related to the Loan.

Section 2.04 Interest Rate; Interest Payments; Principal Payments.

(a) Interest Rate.

(i) *Interest Rate Computations; Rate Resets.*

For purposes of this Section 2.04(a)(i) (and to the extent applicable elsewhere in this Agreement), the following capitalized terms shall have the respective meanings assigned below:

"*Interest Period*" means the period equal in duration to the Reference Period.

"*Interest Reset Date*" means the first day of each Interest Period, such day being the day immediately following the expiration of the preceding Interest Period.

"*Reference Period*" means one (1) calendar month.

Subject to clause (iii) of this Section 2.04(a), the Outstanding Loan Amount shall bear interest at a variable rate per annum equal to the sum of 75% of the Index plus the Applicable Margin. Such interest rate shall be effective as of the Interest Reset Date for the applicable Interest Period. The initial rate of interest shall be set as of the Closing Date and the initial Interest Period shall commence on the Closing Date and terminate on June 30, 2011 (which is the last day of the initial Reference Period). Each succeeding Interest Period shall commence on the day immediately following the expiration of the preceding Interest Period. The Reference Period is for reference purposes only, and the actual Interest Periods under this Agreement may be for periods of more than or less than one (1) month, depending on whether or not the last day of the Interest Period falls on a Business Day. The Administrative Agent's internal records of applicable interest rates, calculated in accordance with the provisions hereof, shall be determinative in the absence of manifest error. All interest due and payable under this Agreement shall be calculated for actual days elapsed on the basis of a 360-day year.

(ii) *Notice of New Interest Rate.* The Administrative Agent shall, not later than five (5) Business Days following each Interest Reset Date, provide the Borrower and the Custodian with written notice of the rate of interest then in effect; provided however, the Administrative Agent shall provide written notice to the Borrower and the Custodian not less than one (1) Business Day following the day on which the Applicable Margin is calculated on the basis of the Default Margin.

(iii) *Maximum Rate.* Notwithstanding the foregoing provisions, the maximum Net Effective Interest Rate that the Borrower is authorized to pay with respect to the Loan is 11.99% per annum and the Loan shall not bear interest at a rate in any particular Interest Period that would cause the Net Effective Interest Rate on the Loan, calculated as of the end of such Interest Period, to exceed 11.99% per annum. For purposes of the foregoing, the "**Net Effective Interest Rate**" shall mean, as of the end of any Interest Period, the total amount of interest accrued hereunder on the Outstanding Loan Amount from the Closing Date through the last day of such Interest Period, divided by the sum of the products derived by multiplying the

principal amount of the Outstanding Loan Amount in each year by the number of years from the date of this Agreement to the last day of such Interest Period (or the date on which such principal amount was actually paid, if earlier). In addition to the foregoing, to the extent amounts due to the Lenders have not been fully repaid the provisions of Section 2.05 hereof shall apply. In no event shall the total repayment costs paid under this Agreement exceed the total repayment cost allocable to the Loan (assuming the Draw Down Committed Loan Amount has been disbursed in full hereunder) pursuant to the Election.

(b) Applicable Margin. For purposes of computing the variable interest rate on the Loan, the applicable margin shall be the Base Margin or the Default Margin determined pursuant to the provisions of subsections (i) or (ii) below, as applicable (the "**Applicable Margin**"):

(i) Base Margin. Effective as of the Closing Date and for so long as none of the events set forth in subsection (b)(ii) below occur and are continuing, the Applicable Margin shall be an amount equal to 2.0625% (the "**Base Margin**").

(ii) Default Margin. Immediately upon the occurrence of a Default or an Event of Default, the Applicable Margin shall be an amount equal to 6.50% (the "**Default Margin**"). The Default Margin shall be the Applicable Margin until such time as the applicable Event of Default is cured to the satisfaction of the Required Lenders.

(c) Interest Payments. Interest payments on the Outstanding Loan Amount shall be due on each Interest Payment Date. The Administrative Agent shall compute the amount of interest due from the Borrower on each Interest Payment Date and shall provide to the Borrower and the Custodian statement showing such computation not less than three (3) Business Days prior to the Interest Payment Date and in the event the Custodian is required to set aside interest due on the Loan pursuant to Section 2(c)(ii)(A) of the Custodial Agreement, the Administrative Agent shall provide to each Lender, the Borrower and the Custodian a statement showing such computation within three (3) Business Days following the receipt by the Administrative Agent of notice of the occurrence of an event or condition that requires the Custodian to set aside interest pursuant to the Custodial Agreement. Each computation of interest pursuant to this Section 2.04(c) shall be conclusive and binding upon the parties hereto and the Custodian in the absence of manifest error.

(d) Principal Payments. Repayment of the Outstanding Loan Amount shall be due and payable on each Principal Payment Date. The amortization schedule setting forth the Principal Payment Dates and corresponding principal amounts due on the Loan is set forth in **Exhibit C** attached hereto. To the extent any amounts remain unfunded under the Draw Down Committed Loan Amount upon expiration of the Advance Period, the Administrative Agent shall revise the amortization schedule such that the amount of the balloon payment due on the Maturity Date shall be reduced by the amount of such unfunded amount.

Section 2.05 Application of Maximum Rate to Interest Differential. If the interest due and payable on any obligation hereunder computed at the applicable rate as provided in Sections 2.04(a) and (b) hereof is in excess of the amount actually paid by the Borrower as a result of the provisions of Section 2.04(a)(iii) hereof, the difference between what would have

been the interest payable on such obligation had it accrued interest at the applicable rate as provided in Sections 2.04(a) and (b) hereof and the actual interest paid by the Borrower on such obligation (the "**Interest Differential**") shall remain an obligation of the Borrower. If at any time there is an Interest Differential owed to the Lenders, any reduction in interest rate that would result from the application of Sections 2.04(a) and (b) shall not reduce the rate of interest below the maximum Net Effective Interest Rate as computed in Section 2.04(a)(iii) until the first to occur of (i) the date on which all principal payments on the Outstanding Loan Amount have been made or (ii) the Interest Differential has been repaid to the Lenders.

Section 2.06 Optional Prepayment and Order of Principal Payment.

(a) Optional Prepayment Prior to Third Year Anniversary. The Loan may be prepaid, in whole or in part, on any date on or prior to June 8, 2014, upon payment of the principal amount of the Outstanding Loan Amount so prepaid plus accrued interest thereon to the date of prepayment, together with any amounts under Section 2.13 accrued and payable to any Lender to the date of prepayment hereof and a prepayment penalty (the "**Prepayment Penalty**") equal to three percent (3%) of the principal amount of the Loan so prepaid on or prior to June 8, 2014, provided, however, if the Borrower elects to prepay the Loan in whole (but not in part) as a result of the Borrower becoming liable to pay increased costs, Taxes or Other Taxes pursuant to Section 2.13 hereof, such prepayment penalty shall be waived. If on the date of any prepayment under this Section 2.06(a) there is a Borrower Termination Payment then due and owing or would be due and owing under any Interest Rate Exchange Agreement as a result of Section 2.06(c), the Borrower shall not be entitled to prepay the Loan and the Administrative Agent may not accept any prepayment under this Section 2.06(a) unless the Borrower Termination Payment is concurrently paid in full to the applicable Swap Provider at the time of such prepayment. Principal prepayments on the Loan shall be applied by the Administrative Agent in inverse order of maturity, commencing with the principal payment due and owing on the Maturity Date. The Borrower shall provide to the Administrative Agent a written notice of prepayment not less than seven (7) days prior to the prepayment date designated in such notice setting forth the principal amount of the Outstanding Loan Amount to be prepaid and the prepayment date.

(b) Optional Prepayment After Three Year Anniversary. The Loan may be prepaid, in whole or in part, on any date after June 8, 2014, upon payment of the principal amount of the Outstanding Loan Amount so prepaid plus accrued interest thereon to the date of prepayment and any amounts under Section 2.13 hereof accrued and payable to any Lender to the date of prepayment, without penalty. If on the date of any prepayment under this Section 2.06(b) there is a Borrower Termination Payment then due and owing or would be due and owing under any Interest Rate Exchange Agreement as a result of Section 2.06(c), the Borrower shall not be entitled to prepay the Loan and the Administrative Agent may not accept any prepayment under this Section 2.06(b) unless the Borrower Termination Payment is concurrently paid in full to the applicable Swap Provider at the time of such prepayment. Principal prepayments on the Loan shall be applied by the Administrative Agent in inverse order of maturity, commencing with the principal payment due and owing on the Maturity Date. The Borrower shall provide to the Administrative Agent a written notice of prepayment not less than seven (7) days prior to the prepayment date designated in such notice setting forth the principal amount of the Outstanding Loan Amount to be prepaid and the prepayment date.

(c) Pro Rata Termination of Interest Rate Exchange Agreements. To the extent the Outstanding Loan Amount is prepaid pursuant to Sections 2.06(a) or 2.06(b) above, the Borrower shall reduce the aggregate notional amount of the Interest Rate Exchange Agreements by such amount that would result in the aggregate notional amount of all Interest Rate Exchange Agreements to not exceed the Outstanding Loan Amount after giving effect to the related prepayment of the Outstanding Loan Amount, it being the intent of the parties that the aggregate notional amount of the Interest Rate Exchange Agreements shall not exceed the Outstanding Loan Amount immediately following any prepayment of the Outstanding Loan Amount pursuant to Sections 2.06(a) and 2.06(b) hereof. Early termination of the Interest Rate Exchange Agreements attributable to such prepayment of the Outstanding Loan Amount shall occur pro rata, which pro rata amount shall be determined based on the ratio of the outstanding notional amount of each Interest Rate Exchange Agreement, as of such early termination date, as a percentage of the aggregate outstanding notional amount of the Interest Rate Exchange Agreements, as of such date.

Section 2.07 Interest Rate Exchange Agreements; Mandatory Prepayment From Termination Payments.

(a) Subject to Section 2.07(c), Interest Rate Exchange Agreements with respect to the Initial Funded Loan Amount and each Advance with respect to which the Borrower has determined to enter into an Interest Rate Exchange Agreement shall at all times be in full force and effect. It is the intent of the parties that if the Borrower chooses to enter into an interest rate exchange agreement with respect to an Advance, BBVA/Compass Entity shall be the swap provider unless the Required Lenders agree otherwise and the Borrower complies with all applicable provisions of Section 2.07(b).

(b) If a BBVA/Compass Entity is not the Swap Provider with respect to the BBVA Interest Rate Exchange Agreement or RBC is not the Swap Provider with respect to the RBC Interest Rate Exchange Agreement, the terms of any substitute interest rate exchange agreement to which either of such Swap Providers is not a party, including the priority of payment obligations thereunder from the Pledged Revenue and the lien thereof on the Pledged Revenue, shall be subject to the consent of the Required Lenders, provided that this Section 2.07(b) shall not apply to any assignment of the BBVA Interest Rate Exchange Agreement to a different swap provider made to a non BBVA/Compass Entity pursuant to the terms of the BBVA Interest Rate Exchange Agreement.

(c) The Borrower may not terminate an Interest Rate Exchange Agreement (whether or not a Provider Termination Payment would be due to the Borrower as a result of such termination) without the prior written consent of the Required Lenders; provided, however that (i) such consent shall not be unreasonably withheld if the Borrower has a right to terminate an Interest Rate Exchange Agreement due to an occurrence or existence of (1) an Event of Default (as defined in such Interest Rate Exchange Agreement) of the related Swap Provider, (2) a Termination Event (as defined in such Interest Rate Exchange Agreement) where the Swap Provider is the Affected Party (as defined in such Interest Rate Exchange Agreement) or (3) the rating of the long-term unsecured, unenhanced senior debt of a Swap Provider is withdrawn, suspended or downgraded and (ii) such consent shall not be required if each Interest Rate Exchange Agreement is being terminated on a pro rata basis pursuant to Section 2.06(c) and the

Borrower demonstrates to the satisfaction of the Required Lenders that it has sufficient moneys on hand (other than the Pledged Revenue) to pay on the date of prepayment of the Loan any Borrower Termination Payment that may be due as a result of such early termination. If an Interest Rate Exchange Agreement is terminated other than in connection with the prepayment of the Outstanding Loan Amount in accordance with Section 2.06, to the extent that the Outstanding Loan Amount exceeds the aggregate notional amounts of the Interest Rate Exchange Agreements, the Borrower shall, at the direction of the Required Lenders, make best efforts to enter into a substitute Interest Rate Exchange Agreement no later than sixty (60) days following termination of any Interest Rate Exchange Agreement being substituted, but it shall not constitute a breach of this Agreement or an Event of Default hereunder if the Borrower is in good faith (as determined by the Required Lenders) unable to obtain such substitute Interest Rate Exchange Agreement. In addition to requirements set forth in clause (b) above, any substitute interest rate exchange agreement shall, at a minimum, satisfy the following conditions: (a) the interest rate exchange agreement shall have a term of not less than the Maturity Date of the Loan, (b) the interest rate exchange agreement taking into account all other existing Interest Rate Exchange Agreements shall have a notional amount equal to the Outstanding Loan Amount as of the date of such substitution, (c) the Borrower shall be obligated to pay the substitute swap provider a fixed rate of interest and (d) the substitute swap provider shall be obligated to pay the Borrower a variable rate of interest calculated at 75% of the Index, plus the Base Margin.

(d) Subject to the following sentence of this Section 2.07(d), in the event that a Provider Termination Payment exceeding \$100,000 is received by the Borrower, the Borrower shall pay the amount of such Provider Termination Payment that is in excess of \$100,000 to the Administrative Agent and retain an amount of up to \$100,000 of the Provider Termination Payment (net of any Swap Substitution Costs referenced in the following sentence) and the Administrative Agent shall apply such moneys to the prepayment of as much of the Outstanding Loan Amount as can be prepaid with such amount, at a prepayment price equal to the principal amount of the Outstanding Loan Amount so prepaid plus accrued interest thereon to the date of prepayment, without penalty. Notwithstanding the foregoing, the Borrower shall be entitled to retain the entire Provider Termination Payment and apply the same to the Swap Substitution Costs, provided that the Swap Substitution Costs shall be applied first against the portion of the Provider Termination Payment that the Borrower is authorized to retain pursuant to the first sentence of this Section 2.07(d) and second, against any remaining amount of the Provider Termination Payment. After application of the Provider Termination Payment as provided above, the Borrower shall transfer any balance thereof to the Administrative Agent for application in accordance with this Section 2.07.

Section 2.08 Making and Settlement of Payments; Failure to Make Timely Payments.

(a) On each Interest Payment Date and Principal Payment Date, the Administrative Agent shall notify each Lender in writing of the amount of such Lender's applicable Pro Rata Share of interest and principal due to such Lender hereunder. In addition, on each Fee Payment Date, the Administrative Agent will notify each Lender of the amount of fee (if any) due to each Lender hereunder. The Administrative Agent will pay to each Lender from amounts received from the Custodian under the Custodial Agreement such Lender's Pro Rata Share of interest and principal on the Outstanding Loan Amount, as applicable, and the amount

of fee (if any) payable to such Lender under the Fee Letters in the same type of funds received from the Custodian under the Custodial Agreement no later than 3:00 p.m. Denver time on the date of receipt thereof by the Administrative Agent if such amounts are received no later than 2:00 p.m. Denver time from the Custodian under the Custodial Agreement on the date of receipt thereof (and no later than 3:00 p.m. Denver time on the next Business Day if such amounts are received after 2:00 p.m. Denver time from the Custodian under the Custodial Agreement on the date of receipt thereof.

Concurrently with each remittance to any Lender of its share of any such payment, the Administrative Agent shall advise such Lender as to the application of such payment. All payments under Section 2.13 shall be made by the Borrower directly to the Lender entitled thereto by no later than 2:00 p.m. Denver time on the date when such payment is due. Payment by the Borrower to the Administrative Agent of the principal and interest on the Outstanding Loan Amount and the fees set forth in the Fee Letters as the same become due shall constitute and satisfy payment to the respective Lenders and the Borrower shall not be liable to the Lenders for the failure of the Administrative Agent to timely or appropriately settle and allocate payments to the respective Lenders. Additionally, other than the payment of the annual Administrative Agent Fee, the Borrower shall not be responsible for, or subject to reimbursement of the Administrative Agent for, any additional fees or expenses incurred by the Administrative Agent in connection with the making and settlement of payments pursuant to this Section 2.08.

(b) Any sum due hereunder and not paid when due and any sum due hereunder upon the occurrence of a Default and during the continuance of an Event of Default hereunder (other than interest on the Outstanding Loan Amount which shall accrue at a variable rate per annum set forth in Section 2.04(a) and 2.04(b) hereof) shall bear interest at a rate per annum equal to 75% of the Index plus the Default Margin. If the Custodian is required to set aside amounts pursuant to Section 2(c)(i) of the Custodial Agreement, then for purposes of this Section and Section 2(c)(i) of the Custodial Agreement the Index shall be determined in accordance with the definition of the "Assumed Rate."

Section 2.09 Expenses and Attorneys' Fees. The Borrower will reimburse the Lenders for their fees, costs, and out-of-pocket disbursements in accordance with the Fee Letters. In the event the Borrower brings a claim against a Lender arising from such Lender's failure to fund an Advance in the amount of its Pro Rata Share and (i) the other Lenders funded their respective Pro Rata Share of such Advance and (ii) such Lender was not subject to a bankruptcy, receivership or insolvency proceeding, or to a receiver, trustee or similar official at the time when such Advance was required to be made under Sections 3.02 and 3.03 hereof, such Lender will reimburse the Borrower for all reasonable attorneys' and all other consultant's fees and all other costs, fees and out-of-pocket disbursement incurred by the Borrower in connection with the preparation, execution, delivery, administration, defense and enforcement of the Lender's obligation to fund its Pro Rata Share of the Advance if and only if the Lender is found in a final non-appealable judgment by a court of competent jurisdiction to have violated the terms of the Agreement by failing to fund its Pro Rata Share of the Advance in question.

Section 2.10 Security.

(a) All amounts payable under this Agreement and the Note are secured by and payable solely from the following (the "Collateral"):

- (i) the Pledged Revenue;
- (ii) Provider Termination Payments, if any;
- (iii) District No. 2's General Obligation pledge to impose the Required Mill Levy on all taxable real and personal property of District No. 2 pursuant to the Capital Pledge Agreement;
- (iv) District No. 3's General Obligation pledge to levy ad valorem property taxes on all taxable real and personal property of District No. 3 at a mill levy rate of not less than, and not in excess of, 5 mills pursuant to the District No. 3 Intergovernmental Agreement;
- (v) an assignment of all of Borrower's right, title and interest to payment of the Pledged Revenue under the Master Financing Agreement, the Custodial Agreement, the Capital Pledge Agreement, the District No. 3 Intergovernmental Agreement and the Interest Rate Exchange Agreements;
- (vi) an assignment of all of Borrower's rights under the District No. 4 Intergovernmental Agreement; and
- (vii) all other funds and accounts with any Collateral or proceeds of any Collateral on deposit therein.

(b) Any funds released from the Debt Service Fund and the Collateral Revenue Fund pursuant to and in accordance with Sections 2(e) and 3(d) of the Custodial Agreement and Section 5.01(q) hereof shall cease to be part of the Collateral as of the date of such release.

(c) LURA has pledged and placed a first priority lien on, and assigned and granted a security interest in the Net TIF Revenues to the Borrower pursuant to the Master Financing Agreement.

(d) The PIC has pledged and placed a first priority lien on, and assigned and granted a security interest in the PIF Revenues to the Lenders and Swap Providers pursuant to the Custodial Agreement (subject to the priority payments established pursuant to Section 3(c)(i) thereof for, among other things, the payment of fees or other amounts specifically due to the City under the terms of the Collection Agreement).

(e) In order to secure obligations under this Agreement and the Note:

- (i) the Borrower hereby assigns, transfers, pledges, hypothecates, delivers and grants to the Lenders a first priority lien (but not necessarily an exclusive such lien) on the Pledged Revenue;

(ii) the Borrower hereby assigns to the Lenders all of its right, title and interest to payment of the Pledged Revenue under the Master Financing Agreement, the Collection Agreement, the Custodial Agreement, the Capital Pledge Agreement, District No. 3 Intergovernmental Agreement, the Interest Rate Exchange Agreements and any other agreement or instrument which creates the Borrower's right to the payment of the Pledged Revenue;

(iii) the Borrower hereby assigns to the Lenders all of its right, title and interest to the payment of the Provider Termination Payments, if any under the Interest Rate Exchange Agreements; and

(iv) the Borrower hereby assigns to the Lenders all of its right, title and interest under the District No. 4 Intergovernmental Agreement.

(f) To the extent not otherwise pledged above and subject to the pledge and payment priorities established pursuant to the Custodial Agreement, the Borrower hereby pledges, places a first priority lien on, assigns and grants a security interest in any and all right, title and interest of the Borrower in the Collateral to secure the obligations to the Lenders under this Agreement and the Note.

(g) The obligations of the Borrower hereunder constitute District Debt as defined in and contemplated by the Master Financing Agreement.

(h) The first lien of the Lenders on the Pledged Revenue and funds and accounts held by the Custodian under the Custodial Agreement is subject to no other liens other than the lien on the Pledged Revenue and funds and accounts held by the Custodian under the Custodial Agreement in favor of the Swap Providers under the Interest Rate Exchange Agreements, which lien is expressly subject to the priority of payments established pursuant to the Custodial Agreement for, among other things, payment of Lenders' fees pursuant to the Fee Letters, interest and principal on the Loan, application of the Reserve Fund, payment of Borrower Net Swap Payments and payment of Borrower Termination Payments.

(i) Each District covenants to file such financing statements and other documents and to take all such other actions necessary or required to ensure that to the maximum extent possible the pledge, assignment and delivery of the Collateral hereunder will create a valid, perfected, first priority security interest in all right, title or interest of such District in or to such Collateral, and the proceeds thereof, subject to no prior pledge, lien, mortgage, hypothecation, security interest, charge, option or encumbrance or to any agreement purporting to grant to any third party a security interest in the property or assets of such District which would include the Collateral other than the lien on the Pledged Revenue and funds and accounts held by the Custodian under and in accordance with the pledge and payment priorities established pursuant to the Custodial Agreement in favor of the Swap Providers under the Interest Rate Exchange Agreements. Each District covenants and agrees that it will defend such right, title and security interest of the Lenders in all right, title or interest of such District in and to the Collateral and the proceeds thereof against the claims and demands of all Persons whomsoever.

(j) The creation, perfection, enforcement, and priority of the pledge of the Pledged Revenue and the Provider Termination Payments, if any, to secure or pay the Loan as

provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note, and the Authorizing Resolution. The amounts pledged to the payment of the Note and this Agreement as received by or otherwise credited to the public entity, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Borrower irrespective of whether such persons have notice of such liens.

Section 2.11 Commitments Several.

(a) The failure of any Lender to make a requested Advance of the Draw Down Committed Loan Amount in the amount of its Pro Rata Share of the Advance, if all conditions precedent to such Advance set forth in Section 3.02 have been met, shall not relieve any other Lender of its obligations to make an Advance in the amount of its Pro Rata Share of such Advance, but no Lender shall be responsible for the failure of any other Lender to make any Advance to be made by such other Lender.

(b) The obligations of the Lenders to make the Loan are several and not joint obligations and in no event shall the commitment of the Lenders to make such Loan (i) result in the Lenders making loans to the Borrower on the Closing Date in amounts exceeding their respective Pro Rata Share of the Initial Funded Loan Amount specified on **Exhibit B** hereto and (ii) result in the Lenders making Advances to the Borrower in amounts which would cause the Lenders to have loaned and/or Advanced to the Borrower a portion of the Outstanding Loan Amount exceeding their respective Pro Rata Share of the Committed Loan Amount as specified on **Exhibit B** hereto.

Section 2.12 Certain Conditions. Notwithstanding any other provision of this Agreement, no Lender shall have an obligation to make any Advance if an Event of Default or Default then exists or would be in existence by, or the funding of, such Advance.

Section 2.13 Taxes; Increased Costs.

(a) To the extent permitted by law any and all payments by the Borrower hereunder or under the Note shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of any Lender (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of such Lender's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "**Taxes**"). If the Borrower shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Note then, to the extent permitted by law, (A) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this Section 2.13) the Lenders receive an amount equal to the sum it would have received had no such withholdings or deductions been made, (B) the Borrower shall make such withholdings or deductions and (C) the Borrower shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

In addition, to the extent permitted by law, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise under the laws of the United States or the State from any payment made hereunder or under the Note or from the making of Advances hereunder or otherwise with respect to this Agreement or the Note (hereinafter referred to as "**Other Taxes**").

If the Borrower fails to pay Taxes and/or Other Taxes (including Taxes imposed by any jurisdiction on amounts payable under this Section 2.13 required to be paid by the Borrower pursuant to the preceding two paragraphs in accordance with applicable law, then, to the extent permitted by law, the Borrower shall indemnify and hold harmless any Lender, and reimburse such Lender, as applicable, for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.13 paid by such Lender or any liability (including penalties, interest and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payments pursuant to this Section shall be made by the Custodian directly to the applicable Lender on the same priority as the fees payable to the Lenders under Section 2(c)(i) of the Custodial Agreement within thirty (30) days from the date the applicable Lender makes written demand therefor to the Borrower which demand shall be accompanied by a certificate setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail (copies of which demand and certificate shall be furnished to the Administrative Agent and Custodian).

Within thirty (30) days after the date of any payment of Taxes by the Borrower, the Borrower shall furnish to the applicable Lender with respect to which such payment was made, at its address referred to in Section 10.06 hereof, the original or a certified copy of a receipt evidencing payment thereof. The Borrower shall compensate such Lender for all reasonable losses and expenses sustained by such Lender as a result of any failure by such party to so furnish such copy of such receipt.

Any amounts paid by the Borrower to a Lender pursuant to this Section 2.13(a) which are subsequently recovered by such Lender from any taxing agency shall be repaid to the Borrower within thirty (30) days of receipt thereof by such Lender by transfer of such amount to the Custodian for deposit into the Debt Service Fund.

(b) If, after the Closing Date, the adoption of, or any change in, any applicable law, rule or regulation, or any change in the interpretation or administration of any Regulation by any court, governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, including, notwithstanding the foregoing, all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act regardless of the date enacted, adopted or issued,) or compliance by any Lender with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall cause such Lender to incur increased costs or expenses or suffer decreased benefits in making and maintaining its Loan resulting, for example, from imposition of reserves (including any reserve imposed by the Federal Reserve Bank), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any Lender (other than reserves taken into account in determining the Index) or treatment of tax-exemption of interest on its Loan, or the imposition of or increase in capital

requirements, then such Lender shall provide a written demand to the Borrower (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to the Administrative Agent and Custodian). The additional amount stated in the written statement shall be paid by the Custodian directly to the Lender who sent such statement on the same priority as fees payable to the Lenders under Section 2(c)(i) of the Custodial Agreement within thirty (30) days after demand by such Lender so as to compensate such Lender for such increased cost, any reduction in the rate of return on the Lender's capital and/or Lender's revenue attributable to such extension of credit or such decreased benefit; provided, however, that the Borrower shall not be obligated to pay any amount pursuant to this Section 2.13(b) which accrues during the period of ninety (90) days following the occurrence of the event or condition that results in the Lender incurring such increased costs or expenses or suffering decreased benefits as described above. As used above, the term "**Regulation**" shall include any federal, state or international law, governmental or quasi-governmental rule, regulation, policy, guideline or directive (including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act and enactments, issuances or similar pronouncements by the Federal Reserve Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices or any similar authority and any successor thereto) that applies to any Lender. Determinations and statements of any Lender pursuant to this Section shall be conclusive absent demonstrable error. Lenders may use reasonable averaging and attribution methods in determining compensation under this Section.

(c) The provisions of this Section shall survive repayment of the Loan, cancellation of the Note, sale of a Defaulting Lender's Pro Rata Share of the Loan pursuant to Section 2.14 hereof or assignment of a Lender's Pro Rata Share of the Loan pursuant to Section 9.01 hereof and the termination of this Agreement.

Section 2.14 Defaulting Lender.

(a) In addition to the rights and remedies that may be available to the Administrative Agent or the Borrower under this Agreement or applicable law, if at any time a Lender is a Defaulting Lender, such Defaulting Lender's right to collect its Pro Rata Share of the Non-Use Fee received by the Administrative Agent pursuant to the applicable Fee Letter, or to participate in the administration of the Loan, this Agreement and the other Financing Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Administrative Agent or to be taken into account in the calculation of the Required Lenders, shall be suspended during the Default Period; provided, however, that the Defaulting Lender's Pro Rata Share of the Committed Loan Amount may not be increased and the period of the Defaulting Lender's obligation to make any Advance hereunder may not be extended without the Defaulting Lender's consent. If a Lender is a Defaulting Lender because it has failed to make timely payment to the Administrative Agent of any amount required to be paid to the Administrative Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Administrative Agent or the Borrower may have under the immediately preceding provisions or otherwise, the Administrative Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the interest rate set forth in Section 8.18 hereof, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to

such Defaulting Lender under this Agreement or any other Financing Document until such defaulted payment and related interest has been paid in full and such default no longer exists and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Administrative Agent pursuant to Section 2.13 hereof for the benefit of such Defaulting Lender during the Default Period shall be distributed to such Defaulting Lender as if such Defaulting Lender was not in default in the performance of its obligation to make Advances required pursuant to Section 2.01(b) hereof and shall be excluded from amounts applied pursuant to the following sentence. Any amounts received by the Administrative Agent during the Default Period in respect of a Defaulting Lender's Pro Rata Share of the Committed Loan Amount or the Outstanding Loan Amount, as the case may be, not heretofore paid to such Defaulting Lender, any unpaid Non-Use Fee pursuant to the applicable Fee Letter and any unpaid amounts under Section 2.06 hereof earned by such Defaulting Lender prior to the Default Period, shall not be paid to such Defaulting Lender and shall be held uninvested by the Administrative Agent and either (i) applied against the Purchase Price of the Defaulting Lender's Pro Rata Share under the following subsection (b); or (ii) paid to such Lender upon the default being cured.

(b) At any time a Lender is not a Defaulting Lender, such Lender shall have the right, but not the obligation, in its sole discretion, to acquire all of a Defaulting Lender's Pro Rata Share of the Loan. If more than one Lender exercises such right, each such Lender shall have the right to acquire such proportion of such Defaulting Lender's Pro Rata Share of the Loan on a Pro Rata basis. Upon any such purchase, such Defaulting Lender's Pro Rata Share of the Loan and its rights hereunder (but not its liability in respect thereof or under this Agreement or the other Financing Documents to the extent the same relate to the period prior to the effective date of the purchase) shall terminate on the date of purchase, and such Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest to the purchaser(s) thereof subject to and in accordance with the requirements set forth in Section 9.01, including an effective Assignment Agreement executed, delivered and fully completed by the applicable parties thereto. The purchase price for the Defaulting Lender's Pro Rata Share of the Loan shall be equal to such Lender's Pro Rata Share of the Outstanding Loan Amount as of the date of such purchase owed by the Borrower to the Defaulting Lender hereunder, plus all accrued and unpaid interest thereon, plus any unpaid Non-Use Fee pursuant to the applicable Fee Letter and any unpaid amounts under Section 2.06 hereof earned by such Defaulting Lender prior to its Default Period, less such Defaulting Lender's Pro Rata Share in such amounts, if any, which have been prepaid and received by such Defaulting Lender but not earned prior to its Default Period (the "**Purchase Price of the Defaulting Lender's Pro Rata Share**"). The purchaser(s) shall pay to such Defaulting Lender in immediately available funds on the date of such purchase an amount equal to such Purchase Price of the Defaulting Lender's Pro Rata Share after application of amounts paid by the Administrative Agent to such Defaulting Lender pursuant to the following sentence (it being understood that any accrued and unpaid interest and fees may be paid Pro Rata to the purchaser(s) and the Defaulting Lender by the Administrative Agent at a subsequent date upon receipt of payment of such amounts from the Borrower). Prior to payment of such Purchase Price of the Defaulting Lender's Pro Rata Share by the purchaser(s) to a Defaulting Lender, the Administrative Agent shall pay to such Defaulting Lender any amounts retained by the Administrative Agent pursuant to the last sentence of the immediately preceding subsection (a) to be applied against such Purchase Price of the Defaulting Lender's Pro Rata Share as described in this Section 2.14. Such Defaulting Lender shall be entitled to

receive amounts owed to it by the Borrower under the Financing Documents which accrued prior to such Defaulting Lender's Default Period, to the extent the same are received by the Administrative Agent from or on behalf of the Borrower. There shall be no recourse against any Lender or the Administrative Agent for the payment of such sums except to the extent of the receipt of payments from any other party or in respect of the Loan.

(c) At any time a Lender becomes a Defaulting Lender, then, at the Administrative Agent's and the Syndication Agent's option in their sole discretion, but without prejudice to the Borrower's rights under Section 2.15, such Defaulting Lender's Pro Rata Share of the Draw Down Committed Loan Amount shall be reduced to the amount of such Defaulting Lender's Pro Rata Share of the Outstanding Loan Amount.

(d) Nothing contained in the foregoing shall be deemed to constitute a waiver by the Borrower of any of its rights or remedies (whether in equity or law) against any Lender which fails to make an Advance hereunder at the time or in the amount required to be funded under the terms of this Agreement, which rights and remedies shall specifically include, but not be limited to, the right to sue for specific performance, monetary damages, or both, and any and all other rights available to the Borrower at law or in equity.

Section 2.15 Replacement of Lender. If the Borrower is required pursuant to Section 2.13 to make any additional payment to any Lender or if any Lender defaults in its obligation to make an Advance hereunder or otherwise becomes a Defaulting Lender (any Lender so affected an "**Affected Lender**"), the Borrower may elect, if such amounts continue to be charged, to replace such Affected Lender as a Lender party to this Agreement, provided that no Default or Event of Default shall have occurred and be continuing at the time of such replacement, and provided further that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower, the Administrative Agent and the Syndication Agent, shall agree, as of such date, to purchase for cash such Affected Lender's Pro Rata Share of the Outstanding Loan Amount, including any interest accrued thereon, pursuant to an effective Assignment Agreement executed, delivered and fully completed by the applicable parties thereto and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 9.01 applicable to assignments, and (ii) the Borrower shall, from amounts on deposit in the Debt Service Fund, pay to such Affected Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder (to the extent such amounts have not been paid to the Affected Lender by the replacement Lender) to and including the date of termination, including without limitation payments due to such Affected Lender under Section 2.13, and (B) an amount, if any, equal to the payment which would have been due to such Affected Lender on the day of such replacement under Section 2.06(a) had the Pro Rata Share of the Outstanding Loan Amount of such Affected Lender been prepaid on such date rather than sold to the replacement Lender.

ARTICLE III
CONDITIONS TO CLOSING; CONDITIONS TO ADVANCES

Section 3.01 Conditions to Loan Closing. The funding by the Lenders of the Initial Funded Loan Amount is conditioned upon the satisfaction of each of the following, each of which shall be satisfactory in all respects to the Administrative Agent and Syndication Agent:

(a) The Financing Documents. The Financing Documents shall have been duly executed and delivered by each of the respective parties thereto and shall not have been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof have been delivered to the Administrative Agent and Syndication Agent; provided, however, that with respect to the Note, the Administrative Agent shall be in receipt of the executed original of the Note evidencing the Loan in the amount of the Committed Loan Amount.

(b) District Proceedings. The Administrative Agent and Syndication Agent and shall have received a certified copy of all resolutions and proceedings taken by each District authorizing the execution, delivery and performance of this Agreement, the Note, and the other Financing Documents to which it is a party, and the transactions contemplated hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of the Borrower authorized to sign this Agreement, the Note, and the other Financing Documents to be delivered by each such District hereunder and as to other matters of fact as shall reasonably be requested by the Administrative Agent and Syndication Agent.

(c) City Proceedings. The Administrative Agent and Syndication Agent shall have received a certified copy of all resolutions and proceedings taken by the City authorizing the execution, delivery and performance of the Master Financing Agreement and the other Financing Documents to which the City is a party, and the transactions contemplated hereunder and thereunder, and all election proceedings and ordinances enacted by the City relating to the formation of each District and LURA, approval of the Urban Renewal Plan or authorization of the TIF, and the transactions contemplated by the Urban Renewal Plan, certified by the City Clerk of the City to be true, correct and complete copies thereof and as to other matters of fact as shall reasonably be requested by the Administrative Agent and Syndication Agent.

(d) LURA Proceedings, Etc. The Administrative Agent and Syndication Agent shall have received a certified copy of all resolutions and proceedings taken by LURA authorizing the execution, delivery and performance of the Master Financing Agreement and the other Financing Documents to which LURA is a party and the transactions thereunder and the transactions contemplated by the Urban Renewal Plan, certified by the Secretary of LURA to be true, correct and complete copies thereof and as to other matters of fact as shall reasonably be requested by the Administrative Agent and Syndication Agent.

(e) PIC Proceedings, Etc. The Administrative Agent and Syndication Agent shall have received a certified copy of all resolutions and proceedings taken by the PIC authorizing the execution, delivery and performance of the Master Financing Agreement and the other Financing Documents to which the PIC is a party and the transactions thereunder, certified by an authorized officer of the PIC to be true, correct and complete copies thereof and as to other

matters of fact as shall reasonably be requested by the Administrative Agent and Syndication Agent.

(f) Governmental Approvals. The Administrative Agent and Syndication Agent shall have received certified copies of all governmental approvals, if any, necessary for each District to execute, deliver and perform their obligations under this Agreement and the other Financing Documents to which it is a party.

(g) Representations and Warranties True; No Default. On the Closing Date each representation and warranty on the part of each District contained in this Agreement and any other Financing Document to which such District is a party are true and correct in all material respects and no Default or Event of Default has occurred and is continuing, and the Administrative Agent and Syndication Agent shall be entitled to receive certificates, signed by the respective authorized officers of the Districts, to such effect.

(h) Closing Certificates. The Administrative Agent and Syndication Agent shall have received certificates signed by authorized officers of each District, the City, LURA and the PIC, each dated the Closing Date, which together speak to the matters covered by subsections (a)-(e) and (g) of this Section 3.01. Such certificates shall cover such other matters incident to the transactions contemplated by this Agreement or any Financing Document as the Administrative Agent and Syndication Agent may reasonably request.

(i) Opinions of Special Counsel. The Administrative Agent and Syndication Agent shall have received an opinion of Special Counsel, dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including opinions to the effect that the Note delivered on the Closing Date constitutes a valid and binding limited revenue obligation of the Borrower payable solely from the Pledged Revenue and the Provider Termination Payments, if any; that the liens on and security interests in the Collateral granted by the Borrower, LURA, PIC, District Nos. 2 and 3, respectively, to the Lenders have been validly and legally assigned and pledged to the Lenders and are valid first priority liens, subject to the priority payments established under the Custodial Agreement for payment of fees or other amounts specifically due to the City under the terms of the Collection Agreement; that the Financing Documents to which any of the Districts is a party are valid and binding agreements enforceable against such District in accordance with their respective terms, opinions addressing the tax exemption of the interest on the Loan for state and federal purposes; and otherwise in form and substance satisfactory to the Administrative Agent and the Syndication Agent and their respective counsel.

(j) Opinion of Counsel to the Districts. The Administrative Agent and Syndication Agent shall have received from each of the Districts an opinion of counsel to such District dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including opinions as to the validity of such District's organization and existence; that no amendments to the Service Plan of such District are necessary in order for the District to execute, deliver and perform its obligations under this Agreement and the other Financing Documents to which the District is a party; to the effect that all other governmental approvals, if any, necessary for the District to execute, deliver and perform its obligations under this Agreement and the other Financing Documents to which

the District is a party have been duly obtained; that the Authorizing Resolution has been duly and properly adopted; and that the Financing Documents to which the District is a party have been duly authorized and delivered by the District and constitute valid and binding obligations of the District agreements enforceable against such District in accordance with their respective terms and otherwise in form and substance satisfactory to the Administrative Agent and the Syndication Agent and their respective counsel.

(k) (Reserved)

(l) LURA Counsel Opinion. The Administrative Agent and Syndication Agent shall have received from LURA an opinion of counsel to LURA dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including that the Master Financing Agreement and the other Financing Documents to which LURA is a party are valid and binding agreements enforceable against LURA in accordance with their respective terms, and otherwise in form and substance satisfactory to the Administrative Agent and Syndication Agent and their respective counsel.

(m) City Counsel Opinion. The Administrative Agent and Syndication Agent shall have received from the City an opinion of counsel to the City dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including that the Master Financing Agreement and the other Financing Documents to which it is a party are valid and binding agreements enforceable against the City in accordance with their respective terms, and otherwise in form and substance satisfactory to the Administrative Agent and Syndication Agent and their respective counsel.

(n) PIC Counsel Opinion. The Administrative Agent and Syndication Agent shall have received from the PIC an opinion of counsel to the PIC dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including that the Master Financing Agreement and the other Financing Documents to which it is a party are valid and binding agreements enforceable against the PIC in accordance with their respective terms, and otherwise in form and substance satisfactory to the Administrative Agent and Syndication Agent and their respective counsel.

(o) Developer Counsel Opinion. The Administrative Agent and Syndication Agent shall have received from the Developer an opinion of counsel to the Developer and to its affiliated entities, dated the Closing Date and addressed to each Lender, with respect to such matters as the Administrative Agent and Syndication Agent may require, including without limitation, that (i) the PIF Declaration was duly recorded in the records of Larimer County and constitutes a covenant which is binding on all holders of real property interests in the property encumbered by the PIF Declaration who either executed PIF Declaration or took title to such property, that the PIF Declaration will run with the land and be enforceable against them and their successors in title for the benefit of the Designated Receiving Entity (as defined in the PIF Declaration) and (ii) the Financing Documents to which it is a party are valid and binding agreements enforceable against the Developer and such affiliated entities in accordance with their respective terms, and otherwise in form and substance satisfactory to the Administrative Agent and Syndication Agent and their respective counsel.

(p) Custodian Certificate. The Administrative Agent and Syndication Agent shall have received a certificate of authorized representatives of Custodian certifying as to the authority, incumbency and specimen signatures of the authorized representatives of the Custodian authorized to sign the Financing Documents to which it is a party and any other documents to be delivered by it hereunder and who will be authorized to represent the Custodian in connection with this Agreement, upon which the Administrative Agent may rely until it receives a new certificate.

(q) Financing Statements. Evidence that on or before the Closing Date (i) termination statements have been filed with respect to any financing statements filed in connection with the Prior Bonds and the letter of credit securing such Prior Bonds, and (ii) properly completed UCC financing statements and other filings and documents required by law to provide for a valid and perfected first priority lien on and security interest in the Collateral shall have been filed or executed and delivered, as the case may be.

(r) Searches. Copies of title searches with respect to the property encumbered by the PIF Declaration and copies of recent searches, in form and substance satisfactory to the Administrative Agent and Syndication Agent, of all effective UCC financing statements and all judgment and tax lien filings which may have been made with respect to the Districts and the PIC, and UCC termination statements duly authorized by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements disclosed in such search.

(s) No Change in Law. No law, regulation, ruling or other action of the United States, the State or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent any District from fulfilling its obligations under this Agreement or the other Financing Documents to which it is a party.

(t) Fees and Expenses. All fees and expenses due and payable to the Lenders and Lead Arrangers in accordance with the provisions of the Fee Letters and pursuant to provisions of any written arrangements by and between any of the Districts and any of the Lenders shall have been paid.

(u) District Due Diligence. Each Lender and its counsel shall have been provided with the opportunity to review all agreements, documents, and other material information relating to the Districts and the Collateral, and any other instruments or information relating to the Loan, the execution and delivery of this Agreement, and the Collateral.

(v) Reserve Fund. The Reserve Fund in the amount of the Initial Reserve Requirement shall be funded from amounts on deposit in the reserve fund created under the Prior Bonds Indenture securing the Prior Bonds.

(w) BBVA Interest Rate Exchange Agreement. The Borrower shall have entered into the BBVA Interest Rate Exchange Agreement with BBVA in the notional amount equal to \$10,000,000, for a term which extends to and including the Maturity Date of the Loan, and the form, content and terms of such agreement shall be acceptable to Compass.

(x) RBC Interest Rate Exchange Agreement. Evidence satisfactory to the Administrative Agent and Syndication Agent that (i) the RBC Interest Rate Exchange Agreement has been amended so that the floating rate payable by RBC to the Borrower is based on 75% of one-month LIBOR with such payments to occur quarterly, (ii) amounts due and owing to RBC under the RBC Interest Rate Exchange Agreement that are secured by the Pledged Revenue and funds and accounts held by the Custodian under the Custodial Agreement, including any Borrower Termination Payments due thereunder, shall be subject to, and limited by, the payment priority established pursuant to Section 2(c) of the Custodial Agreement.

(y) Approval of Financing Documents. The Administrative Agent and Syndication Agent and their respective counsel, and at the request of any other Lender, such Lender and its counsel shall have had sufficient time to review the Financing Documents and the final versions of such documents shall be in form and content satisfactory to such Lenders and their counsel.

(z) Loan Amortization. The Administrative Agent and Syndication Agent shall have approved the amortization schedule for the Loan and the final maturity of the Loan.

(aa) Debt Outstanding. The Administrative Agent and Syndication Agent shall be in receipt of the evidence satisfactory to them, including, without limitation, certifications from (i) the Borrower to the effect that, except for the Debt evidenced by the Note, this Agreement and the Interest Rate Exchange Agreements, as of the Closing Date, the Borrower has no Debt outstanding which is payable from or secured by any portion of the Collateral (ii) District No. 2 to the effect that except for the Debt evidenced by the Capital Pledge Agreement, as of the Closing Date, District No. 2 has no Debt outstanding which is payable from or secured by any portion of the Collateral and has no General Obligation Debt, (iii) District No. 3 to the effect that except for the Debt evidenced by the District No. 3 Intergovernmental Agreement, as of the Closing Date, District No. 3 has no Debt outstanding which is payable from or secured by any portion of the Collateral and has no General Obligation Debt, other than the General Obligation Debt expressly subordinate to the obligation of District No. 3 to impose the ad valorem mill levy necessary to generate the Residential Contribution and (iv) District Nos. 4-5 to the effect that as of the Closing Date, such District has no Debt outstanding which is payable from or secured by any portion of the Collateral and, with respect to District No. 4, that it has no General Obligation Debt.

(bb) Other Requirements. The Administrative Agent and Syndication Agent shall be in receipt of such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by them or any Lender.

(cc) Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement, the Note, and the other Financing Documents, and the making of the Loan shall be reasonably satisfactory to the Administrative Agent and each Lender and their respective counsel.

Section 3.02 Conditions to Advances. The funding by the Lenders of each Advance is conditioned upon the satisfaction of each of the following, each of which shall be satisfactory in all respects to the Administrative Agent and each Lender, as applicable:

(a) Representations and Warranties True; No Default. As of the applicable Funding Date, each representation and warranty on the part of each District contained in this Agreement and any other Financing Document to which such District is a party are true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date) and no Default or Event of Default has occurred and is continuing, and the Administrative Agent shall be entitled to receive certificates, signed by the respective authorized officers of the Districts, to such effect.

(b) Advance Request. The Administrative Agent and each Lender shall have received an Advance Request, the form of which is attached hereto as **Exhibit E**, signed by the Authorized Person of the Borrower and containing the calculation of the amount of such Advance requested by the Borrower, which amount shall be based on the lesser of the two amounts derived pursuant to formulas (i) and (ii) below, as certified by the Independent Accountant:

(i) Advance = \$10,000,000 less the Required Holdback (TIF Only Formula) less the sum of all prior Advances, or

(ii) Advance = \$10,000,000 less the Required Holdback (TIF and PIF Formula) less the sum of all prior Advances.

(c) Other Information. The Administrative Agent and each Lender shall have received the Preliminary Certified Assessed Valuation of each Public Entity (as defined in the Master Financing Agreement) and the most recently certified Total Mill Levy (as defined in the Master Financing Agreement) applicable to such Preliminary Certified Assessed Valuation.

(d) Amount of Advance. The amount of the requested Advance, when combined with the sum of all prior Advances made hereunder shall not exceed \$10,000,000. Each Advance, unless funded by the Borrower from other sources, will be made net of the required Reserve Contribution which Reserve Contribution applicable to such Advance shall be transferred by the Administrative Agent to the Custodian for deposit into the Reserve Fund in accordance with Section 4 of the Custodial Agreement.

(e) Reserve Fund is Funded in Full. Evidence that the Reserve Fund has been funded or will be funded (following application of the Reserve Contribution pursuant to Section 3.02(d) above) to the applicable Reserve Requirement on the Funding Date.

(f) Favorable Opinion of Special Counsel. The Administrative Agent and each Lender shall have received a Favorable Opinion of Special Counsel, dated the Funding Date and addressed to each Lender.

Section 3.03 Advance Procedures. Following the receipt by the Lenders of an Advance Request and provided that all other conditions of Section 3.02 have been satisfied, the Lenders shall have four (4) Business Days to review such Advance Request, including the calculation of the Advance amount pursuant to the provisions hereof, and to approve or deny such Advance Request; provided, however, that any disapproval by a Lender shall be based solely on its reasonable belief that the calculation of the Advance amount is incorrect. Each

Lender shall notify the Borrower and the Administrative Agent of its approval or denial of such Advance Request by 5:00 p.m. Denver time on the fourth (4th) Business Day after receipt of such Advance Request. If any Lender and the Borrower cannot reach an agreement as to whether the Advance amount has been calculated correctly, the Borrower shall engage an Independent Consultant acceptable to each of the Lenders, the Administrative Agent and the Borrower who shall, within ten (10) Business Days of the engagement make a determination and notify all such parties whether the amount of such Advance has been calculated correctly and such determination shall be binding on all such parties. On the fifth (5th) Business Day after receipt of such Advance Request (or the Business Day following any determination of an Independent Consultant as described above), the Administrative Agent shall calculate each Lender's Pro Rata Share of the Advance to be funded by each Lender and notify each Lender by 1:00 p.m. Denver time on such Business Day of such amount to be funded by each Lender, and each such Lender shall fund such amount by 2:00 p.m. Denver time on the same Business Day in immediately available funds. The Borrower agrees to provide to each Lender such information and documentation as may be requested by such Lender to verify the calculation of the requested Advance amount. The Administrative Agent shall pay to the Borrower the amount of the Advance so received from the approving Lenders in the same type of funds received from such approving Lenders no later than 3:00 p.m. Denver time on the date of receipt thereof by the Administrative Agent if such amounts are received no later than 2:00 p.m. Denver time from such approving Lenders on the date of receipt thereof (and no later than 3:00 p.m. Denver time on the next Business Day if such amounts are received after 2:00 p.m. Denver time from such approving Lenders on the date of receipt thereof).

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DISTRICTS

Section 4.01 Representations and Warranties of the Borrower. While any part of the Loan is available for disbursement or any obligations hereunder are unpaid or outstanding, the Borrower continuously warrants, covenants and agrees as follows:

(a) Accuracy of Information. All information, certificates or statements given to any Lender pursuant to this Agreement and the other Financing Documents will be true and complete when given.

(b) Due Organization. The Borrower is a quasi-municipal corporation and a political subdivision duly organized and validly existing under the constitution and the laws of the State.

(c) Power and Authorization. The Borrower has all requisite power and authority to own its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents to which the Borrower is a party, and to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents to which the Borrower is a party, and to cause to be executed and delivered the Note in the manner and for the purposes contemplated by this Agreement, and the execution, delivery and performance of the Financing Documents to which the Borrower is a party and the execution and delivery of the Note have been duly authorized by all necessary action.

(d) No Legal Bar. The Borrower is not in violation of any of the provisions of the laws of the State or the United States of America or any of the provisions of any order of any court of the State or the United States of America which would affect its existence or its powers referred to in the preceding Section 4.01(c). The execution, delivery and performance by the Borrower of this Agreement and of the other Financing Documents to which the Borrower is a party, and the execution and delivery of the Note (i) did not and will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority, (ii) did not and will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the Borrower, including this Agreement or any other Financing Document to which it is a party and (iii) did not and will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind on any of the Pledged Revenue or its other revenues or other assets of the Borrower pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which the Borrower is a party or which purports to be binding upon the Borrower or upon any of the Pledged Revenue or its other revenues or other assets foreclosure under which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(e) Consents. The Borrower has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by the Borrower of this Agreement or the other Financing Documents to which the Borrower is a party and the execution and delivery of the Note.

(f) Litigation. Except as disclosed to the Administrative Agent in writing, there is no action, suit, inquiry or investigation or proceeding to which the Borrower is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of the Borrower, threatened in connection with any of the transactions contemplated by this Agreement or any other Financing Document against or affecting the assets of the Borrower, nor, to the best knowledge of the Borrower, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, (ii) would adversely affect the validity or enforceability of, or the authority or ability of the Borrower to issue or perform its obligations under, the Note, this Agreement or the other Financing Documents to which the Borrower is a party, (iii) would, in the reasonable opinion of the Borrower, have a material adverse effect on the ability of the Borrower to collect the Pledged Revenue or to conduct its business as presently conducted or as proposed or contemplated to be conducted, or (iv) would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State personal income taxes or cause such interest to be treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code.

(g) Enforceability. This Agreement, the Note and each other Financing Document to which the Borrower is or is to be a party constitute legal, valid and binding

obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

(h) Changes in Law. To the best knowledge of the Borrower, after reasonable investigation, there is no amendment or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(i) Financial Information and Statements. The most recently submitted financial information of the Borrower provided to the Administrative Agent (for distribution to the Lenders) pursuant to this Agreement (the "**Borrower Submitted Financial Information**") fairly presents the Pledged Revenue and the assets, financial condition, business and operations of the Borrower as of the date of such financial information and the period ended on such date, to the extent required herein was prepared in accordance with GAAP in a manner consistently applied, and there has been no material adverse change in the Pledged Revenue or the assets, financial condition, business or operations of the Borrower since the date of the Borrower Submitted Financial Information. The Borrower has no contingent liabilities which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(j) Disclosure of Information. There are no facts that the Borrower has failed to disclose to the Administrative Agent that, individually or in the aggregate, could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(k) IRS Listing. The Borrower has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Borrower is an issuer of obligations whose arbitrage certifications may not be relied upon.

(l) Tax-Exempt Status. The Borrower has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State personal income taxes or cause such interest to be treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code.

(m) Financing Documents. Each representation and warranty of the Borrower contained in any Financing Document to which it is a party is true and correct.

(n) Regulations U and X. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Loan will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) Default, Etc. The Borrower is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained herein or in any other Financing Document or other resolution, agreement or instrument to which it is a party which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party or which could affect the enforceability hereof or thereof.

(p) Sovereign Immunity. The Borrower does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations to make payments to the Lenders under this Agreement or any of the other Financing Documents to which it is a party, and to the extent the Borrower ever gains any such rights of sovereign immunity in respect of its obligations under this Agreement or any of the other Financing Documents to which it is a party, to the extent permitted by law, the Borrower waives any such rights and agrees to execute any certificate required by the Administrative Agent in connection with such waiver; provided, however, that the Borrower does not waive any other rights afforded to it pursuant to the Colorado Government Immunity Act, constituting Title 24, Article 10, Section 101, et. seq. Colorado Revised Statutes, as amended.

(q) No Filing. No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein, in the Custodial Agreement and in the other Financing Documents except the UCC financing statement showing the PIC as debtor which will be filed within three (3) Business Days of the date hereof and except as have been obtained or made and are in full force and effect; all obligations of the Borrower hereunder are secured by the lien and pledge provided for herein and in the Custodial Agreement and in the other Financing Documents; and the lien and pledge provided for herein, in the Custodial Agreement and in the other Financing Documents in favor of the Administrative Agent (on behalf of the Lenders) and the Swap Providers constitutes a valid first priority lien subject to no other lien, provided that the priority of payments with respect to the applicable portion of the Collateral is expressly subject to Section 2(c) of the Custodial Agreement.

(r) PIF. The PIF is a contractually imposed fee and is not imposed through the exercise of any governmental taxing authority.

(s) District Debt and URA Improvements. The obligations of the Borrower under this Agreement are District Debt as defined in and contemplated by the Master Financing Agreement and the improvements financed with the proceeds of the Loan are URA Improvements as defined in and contemplated by the Master Financing Agreement.

(t) Appropriation. No portion of the Pledged Revenue is subject to appropriation by the City, the County, LURA or the PIC.

(u) Defeasance of Prior Bonds. The Borrower has taken all requisite action required to legally defease the Prior Bonds pursuant to the Prior Indenture.

(v) No Other Debt. Other than the Debt evidenced by the Note, this Agreement and the Interest Rate Exchange Agreements, the Borrower has (A) no outstanding Debt payable from or secured by any portion of the Collateral and (B) no General Obligation Debt.

Section 4.02 Representations and Warranties of the Other Districts. While any part of the Loan is available for disbursement or any obligations hereunder are unpaid or outstanding, each Other District continuously warrants, covenants and agrees as follows:

(a) Accuracy of Information. All information, certificates or statements given to any Lender pursuant to this Agreement and the other Financing Documents will be true and complete when given.

(b) Due Organization. Such Other District is a quasi-municipal corporation and a political subdivision duly organized and validly existing under the constitution and the laws of the State.

(c) Power and Authorization. Such Other District has all requisite power and authority to own its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents to which such Other District is a party, and to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents to which such Other District is a party, and the execution, delivery and performance of this Agreement and the Financing Documents to which such Other District is a party have been duly authorized by all necessary action.

(d) No Legal Bar. Such Other District is not in violation of any of the provisions of the laws of the State or the United States of America or any of the provisions of any order of any court of the State or the United States of America which would affect its existence or its powers referred to in the preceding Section 4.02(c). The execution, delivery and performance by such Other District of this Agreement and of the other Financing Documents to which such Other District is a party (i) did not and will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority, (ii) did not and will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of such Other District, including this Agreement or any other Financing Document to which it is a party and (iii) did not and will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind on any of the Pledged Revenue or its other revenues or other assets of such Other District pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which such Other District is a party or which purports to be binding upon such Other District or upon any of the Pledged Revenue or its other revenues or other assets foreclosure under which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(e) Consents. Such Other District has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by such Other District of this Agreement or the other Financing Documents to which such Other District is a party.

(f) Litigation. Except as disclosed in writing delivered to the Administrative Agent, there is no action, suit, inquiry or investigation or proceeding to which such Other District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of such Other District, threatened in connection with any of the transactions contemplated by this Agreement or any other Financing Document against or affecting the assets of such Other District, nor, to the best knowledge of such Other District, is there any basis therefor, wherein an unfavorable decision, ruling or finding: (i) would adversely affect the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, (ii) would adversely affect the validity or enforceability of, or the authority or ability of such Other District to perform its obligations under, this Agreement or the other Financing Documents to which such Other District is a party, or (iii) would, in the reasonable opinion of such Other District, have a material adverse effect on the ability of such Other District to collect the Pledged Revenue or to conduct its business as presently conducted or as proposed or contemplated to be conducted.

(g) Enforceability. This Agreement and each other Financing Document to which such Other District is or is to be a party constitute legal, valid and binding obligations of such Other District, enforceable against such Other District in accordance with their respective terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

(h) Changes in Law. To the best knowledge of such Other District, after reasonable investigation, there is no amendment or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(i) Financial Information and Statements. The most recently submitted financial information of such Other District provided to the Administrative Agent (for distribution to the Lenders) pursuant to this Agreement (the "**Other District Submitted Financial Information**") fairly presents the Pledged Revenue and the assets, financial condition, business and operations of such Other District as of the date of such financial information and the period ended on such date, to the extent required herein was prepared in accordance with GAAP in a manner consistently applied, and there has been no material adverse change in the Pledged Revenue or the assets, financial condition, business or operations of such Other District

since the date of the Other District Submitted Financial Information. Such Other District has no contingent liabilities which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(j) Disclosure of Information. There are no facts that such Other District has failed to disclose to the Administrative that, individually or in the aggregate, could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(k) Financing Documents. Each representation and warranty of such Other District contained in any Financing Document to which it is a party is true and correct.

(l) Default, Etc. Such Other District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained herein or in any other Financing Document or other resolution, agreement or instrument to which it is a party which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party or which could affect the enforceability hereof or thereof.

(m) Sovereign Immunity. Such Other District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations to make payments to the Bank under this Agreement or any of the other Financing Documents to which it is a party, and to the extent such Other District ever gains any such rights of sovereign immunity in respect of its obligations under this Agreement or any of the other Financing Documents to which it is a party, to the extent permitted by law, such Other District waives any such rights and agrees to execute any certificate required by the Administrative Agent in connection with such waiver; provided, however, that District No. 1 does not waive any other rights afforded to it pursuant to the Colorado Government Immunity Act, constituting Title 24, Article 10, Section 101, et. seq. Colorado Revised Statutes, as amended.

(n) No Filings. No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein, in the Custodial Agreement and in the other Financing Documents except the UCC financing statement showing the PIC as debtor which will be filed within three (3) Business Days of the date hereof and except as have been obtained or made and are in full force and effect; all obligations of such Other District hereunder are secured by the lien and pledge provided for herein and in the Custodial Agreement and in the other Financing Documents; and the lien and pledge provided for herein, in the Custodial Agreement and in the other Financing Documents in favor of the Administrative Agent (on behalf of the Lenders) and the Swap Providers constitutes a valid first priority lien subject to no other lien, provided that the priority of payments with respect to the applicable portion of the Collateral is expressly subject to Section 2(c) of the Custodial Agreement.

(o) PIF. The PIF is a contractually imposed fee and is not imposed through the exercise of any governmental taxing authority.

(p) Appropriation. No portion of the Pledged Revenue is subject to appropriation by the City, the County, LURA or the PIC.

(q) No Other Debt. Other than the Debt disclosed to the Administrative Agent in writing by such Other District and obligations of the Other District pursuant to a related Intergovernmental Agreement, the Other District has no outstanding (A) Debt payable from the Collateral or secured in whole or in part with obligations of such Other District under a related Intergovernmental Agreement or (B) General Obligation Debt.

ARTICLE V COVENANTS

Section 5.01 Affirmative Covenants of the Borrower. The Borrower covenants and agrees that, unless at any time Required Lenders shall otherwise expressly consent in writing, so long as the Loan or any obligations of the Districts under this Agreement shall remain unpaid or unperformed:

(a) Compliance with this Agreement and the Other Financing Documents. The Borrower shall observe and perform each term, covenant, condition and agreement to be performed or observed under this Agreement and each term, covenant, condition and agreement in the Financing Documents to which the Borrower is a party as though such terms, covenants, conditions and agreements were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligations of the Districts under this Agreement shall be unpaid or unperformed).

(b) Laws, Permits and Obligations. The Borrower shall comply with all applicable laws, rules, regulations, orders and directions of any governmental authority and all agreements and obligations binding on the Borrower, noncompliance with which would have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party or which could affect the enforceability hereof or thereof, provided that the Borrower may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to the Borrower.

(c) Use of Proceeds. The Borrower shall use or cause to be used the proceeds of the Loan in accordance with the provisions of this Agreement and the Prior Indenture.

(d) Maintenance of Existence. The Borrower shall at all times preserve and maintain its existence, rights and privileges in the State.

(e) Annual and Other Statements. The Borrower shall furnish to the Administrative Agent for distribution to each Lender:

(i) as soon as available but in any event not later than 210 days after the end of each Fiscal Year, a balance sheet of the Borrower as of the end of the immediately preceding Fiscal Year and the related statements of operations and fund balances and cash flows for such Fiscal Year, prepared in accordance with GAAP consistently applied, in reasonable

detail and certified by an Independent Accountant satisfactory to the Administrative Agent together with a certificate of an Authorized Person substantially in the form attached hereto as **Exhibit F**;

(ii) promptly upon certification of the Required Mill Levy required to be levied by District No. 2 pursuant to the Capital Pledge Agreement and Section 5.03(h) hereof, but not later than December 31 of each year, a certificate of an Authorized Person setting forth the amount of such Required Mill Levy so certified, a certification of total assessed value of each class of taxable property in District No. 2 for such Fiscal Year and the calculation of the Estimated Annual Debt Requirement Obligation and any Borrower Termination Payments anticipated to become due for the next Fiscal Year;

(iii) to the extent permitted by law, as soon as available, a copy as the Administrative Agent or any Lender may request of any other periodic report of the activities of the Borrower or its condition submitted to any governmental agency and any other audit report prepared with respect to such activities or condition for delivery to a third party;

(iv) no later than September 30 of each year, a copy of the Preliminary Certified Assessed Valuation of each class of taxable property in District No. 2 for the current Fiscal Year;

(v) no later than December 31 of each year, a copy of the Borrower's final annual budget for the following Fiscal Year and, as soon as available, a copy of any proposed amendments thereto;

(vi) on each January 15, April 15, July 15 and October 15, a certificate of an Authorized Person substantially in the form of **Exhibit G** attached hereto containing information with respect to the three-month and year-to-date period ended on the last day of the preceding calendar quarter;

(vii) as soon as available but in any event no later than 210 days after the end of each Fiscal Year, a balance sheet of LURA as contained in the City's comprehensive annual financial report and the PIC as of the end of the immediately preceding Fiscal Year and the related statements of operations and fund balances and cash flows for such Fiscal Year, prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by a firm of independent certified public accountants selected by such entity;

(viii) as soon as available, and in any event within forty-five (45) days after the close of each Fiscal Year of the Borrower, a report detailing (A) the assessed valuation and incremental assessed valuation of property in the URA Project Area, as described in the Urban Renewal Plan, for such Fiscal Year (B) the overlapping property tax rates and levies in the URA Project Area for such Fiscal Year; and (C) property tax increment revenues and collection and delinquency rates for such Fiscal Year;

(ix) as soon as available a copy of each annual report with respect to the Districts furnished to the City by no later than each September 1 pursuant to the Service Plan;

(x) as soon as available a copy of any written reports, management letters or other detailed information contained in writing concerning significant aspects of the Borrower's operations and financial affairs given to it by its auditor;

(xi) as soon as available prior written notice of any proposed cancellation, termination, amendment, supplement, modification or waiver of any of the provisions of the Financing Documents and the nature thereof and copies of all actual amendments, supplements, modifications or waivers thereof, and

(xii) promptly such other reports or information respecting the Collateral or the assets, financial condition, business or operations of the Borrower as any Lender may request.

(f) Visitation and Examination. Unless otherwise prohibited by law, the Borrower shall permit any Person designated by the Administrative Agent to visit any of its officers or the offices to examine the books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Administrative Agent may reasonably request.

(g) Litigation Notice. The Borrower shall, promptly after the Borrower's obtaining knowledge thereof, notify the Administrative Agent in writing of any action, suit or proceeding at law or in equity by or before any governmental instrumentality or other agency which (i) has remained unresolved for a period of thirty (30) days from the commencement thereof and involves claims for damages or relief in an amount which would be likely to have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, or (ii) has resulted in a final judgment or judgments which would be likely to have such a material adverse effect.

(h) Defaults. The Borrower shall promptly notify the Administrative Agent and each Lender of any Event of Default of which the Borrower has knowledge, setting forth the details of such Event of Default and any action which the Borrower proposes to take with respect thereto or any event which, with the passage of time or the giving of notice or both, would become an Event of Default. The Borrower shall promptly forward to the Administrative Agent and each Lender upon receipt any notice of any default or potential default by any party to any Financing Document which the Borrower may receive pursuant to any such Financing Document.

(i) Levy and Collection of Taxes and Charges. The Borrower shall, pursuant to the applicable Intergovernmental Agreement, cause District No. 2 and District No. 3, at the time and in the manner provided by law for levying District No. 2 and District No. 3 taxes, and, in any event, no later than December 15 of each year, to levy, certify and collect taxes on all real and personal property (i) within District No. 2 at a mill levy rate equal to the Required Mill Levy which, without the Required Lenders' prior written consent, shall not be less than 35 mills and (ii) within District No. 3 at a mill levy which, without the Required Lenders' prior written consent, shall not be less than 5 mills. The Required Mill Levy Revenues and the Residential Contribution, when collected, shall be kept for and applied only to the payment of all amounts due hereunder, including replenishment of the Reserve Fund, and subject to the pledge and

priorities established pursuant to the Custodial Agreement, amount due under the Interest Rate Exchange Agreements, all of which such payments and replenishments shall be made immediately upon collection of such net tax revenues or otherwise when due. Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and, when collected, District No. 2 and District No. 3 shall cause said taxes to be paid to the Custodian, as provided by the applicable Intergovernmental Agreement. The Borrower shall take all necessary and proper steps to enforce promptly the payment of taxes levied by District No. 2 and District No. 3 pursuant to the applicable Intergovernmental Agreement.

(j) Further Assurances. The Borrower shall execute and deliver to the Administrative Agent all such documents, consents and instruments and do all such other acts and things as may be reasonably necessary or required by the Administrative Agent in order to enable the Administrative Agent to determine whether the covenants, terms and provisions of this Agreement and the other Financing Documents have been complied with by the Borrower and to enable the Administrative Agent and the Lenders to exercise and enforce their rights hereunder and under the other Financing Documents and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by any Lender to validate, preserve and protect its position hereunder and under the other Financing Documents.

(k) Proper Books and Records. The Borrower shall keep or cause to be kept adequate and proper records and books of account with respect to the Borrower and any of the funds or accounts established in any of the Financing Documents and in its possession in which complete and correct entries shall be made.

(i) Resignation of Agents. The Borrower shall immediately notify the Administrative Agent of any resignation of the Custodian or the collection agent appointed pursuant to the Collection Agreement.

(m) Notice of Adverse Change. The Borrower shall notify the Administrative Agent as soon as possible after the Borrower acquires knowledge of the occurrence of (i) the filing of any action or the occurrence of any activity which could lead to an initiative or referendum which could lead to the material diminution or reallocation of the Pledged Revenue or any portion thereof, (ii) a change occurs in the financial or operating conditions of the Borrower which, in the reasonable judgment of the Borrower, could have a material adverse effect on the Pledged Revenue or the ability of the Borrower to perform its obligations under this Agreement, the Interest Rate Exchange Agreements or the other Financing Documents to which it is a party, (iii) the occurrence of any of the events described in Section 7.01(k) or (q) hereof, or (iv) any other event which, in the reasonable judgment of the Borrower, is likely to have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement, the Interest Rate Exchange Agreements or the other Financing Documents to which it is a party.

(n) Collection of Pledged Revenue; Transfer to Custodian. The Borrower shall enforce any contractual rights it may have to cause the County, the City, LURA, and the PIC, at the time and in the manner provided by law, to impose, collect and enforce for each

Fiscal Year any portion of the Pledged Revenue at the time and in the form and manner and with like interest and penalties as other like taxes or fees and otherwise in the manner provided by applicable law and to transfer or caused to be transferred all Pledged Revenue upon receipt each month directly to the Custodian for deposit in the Debt Service Fund and the Collateral Revenue Fund, as provided in the Custodial Agreement, on or before the last Business Day of each month, or in the case of Net TIF Revenues or District TIF Termination Revenues, promptly, upon receipt thereof. The Borrower shall take all reasonable and proper steps to enforce promptly the payment of the PIF pursuant to the PIF Declaration, including enforcement of the provisions of the lease, consent to assignment of lease, sublease or other occupancy agreement with the retailers relating to the PIF pursuant to Section 11 of the PIF Declaration.

(o) Budget. The Borrower's budget shall include as separate line items amounts for projected PIF Revenue, Net TIF Revenues, District TIF Termination Revenues (after the TIF Termination Date), Residential Contribution, and Specific Ownership Tax Revenues, if any, to be received by the Borrower to pay amounts due hereunder and under the Interest Rate Exchange Agreements and other Debt of the Borrower becoming due in the next succeeding year, and shall also include as separate line items amounts for projected operations and maintenance expenses of the Borrower and projected amounts due hereunder and under the Interest Rate Exchange Agreements and other Debt of the Borrower in the next succeeding year. Any Lender shall have the right to review such proposed budget and request additional information and explanation for any budget item included therein.

(p) Notices with Respect to Interest Rate Exchange Agreements. The Borrower shall promptly provide to the Administrative Agent written notice of (i) occurrence of any event or condition known to the Borrower that would give either party under an Interest Rate Exchange Agreement the right to designate an Early Termination Date (as defined in the Interest Rate Exchange Agreement pursuant to which such Early Termination Date may be designated) and (ii) the designation of an Early Termination Date (as defined in the Interest Rate Exchange Agreement pursuant to which such Early Termination Date is designated) by either party to an Interest Rate Exchange Agreement. In addition, the Borrower shall provide to the Administrative Agent written notice of its intent to optionally terminate an Interest Rate Exchange Agreement (except in connection with an optional termination of the Interest Rate Exchange Agreement in connection with an optional prepayment of the Loan under Section 2.06 hereof) at least five Business Days prior to giving a notice of optional termination to a Swap Provider pursuant to the related Interest Rate Exchange Agreement.

(q) Certification Regarding Release of Pledged Revenue. Not less than ten (10) days prior to each release under Sections 2(e) and 3(d) of the Custodial Agreement of any amounts on deposit in the Debt Service Fund or the Collateral Revenue Fund, the Borrower shall submit to the Administrative Agent an Annual Release Certificate in a form attached to the Custodial Agreement as Exhibit A certifying that the test for release of such amounts set forth in Sections 2(e) and 3(d) of the Custodial Agreement has been met and attaching the supporting documentation, including, without limitation, the calculation of the Estimated Annual Debt Requirement Obligation and a written acknowledgment by the Custodian with respect to any amounts deposited to or transferred from the Debt Service Fund under the Custodial Agreement. Within ten (10) Business Days following the Administrative Agent's receipt of such Annual Release Certificate, the Administrative Agent may, in its sole discretion, either approve or

disapprove the release of any amounts pursuant to Sections 2(e) and 3(d) of the Custodial Agreement by written notice to the Borrower; provided, however, that any disapproval by the Administrative Agent shall be based solely on its reasonable belief that the calculation of the Estimated Annual Debt Requirement Obligation, any Borrower Termination Payments due or anticipated to be due in the current Fiscal Year, the Remaining Annual Requirement (as defined in the Custodial Agreement) or the Fund Balance Requirement (as defined in the Capital Pledge Agreement), is incorrect. If the Administrative Agent and the Borrower cannot reach an agreement as to whether the release test set forth in Section 2(e) and 3(d) of the Custodial Agreement has been met, the Administrative Agent and the Borrower agree to engage an Independent Consultant acceptable to all of them who shall, within ten (10) Business Days of the engagement make a determination whether such release test has been met and such determination shall be binding on the Lenders, the Borrower and the Custodian.

(r) Certain Notices. The Borrower agrees to immediately notify the Administrative Agent and each Lender of (i) any event of default under any Interest Rate Exchange Agreement; (ii) the occurrence of any termination event permitting early termination under any Interest Rate Exchange Agreement and (iii) its receipt of a notice from any Swap Provider under the related Interest Rate Exchange Agreement designating an early termination date.

(s) Restructuring. In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of, prepayment penalty, if any, and interest on the Loan when due or the Borrower Net Swap Payments under the Interest Rate Exchange Agreements, the Borrower shall use its best efforts to refinance, refund, or otherwise restructure the Loan so as to avoid such a default.

(t) Operation and Management. The Borrower shall continue to operate in accordance with all applicable laws, rules, regulations, and intergovernmental agreements, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

(u) Other Liabilities. The Borrower shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Section 5.02 Negative Covenants of the Borrower. The Borrower covenants and agrees that, unless at any time Required Lenders shall otherwise expressly consent in writing, so long as the Loan or any obligations of the Districts under this Agreement shall be unpaid or unperformed:

(a) No Change in Financing Documents. The Borrower shall not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents to which it is a party or consent to any cancellation, termination, amendment, supplement, modification or waiver of the Financing Documents if it has the right under such Financing Document to so consent, unless the Administrative Agent shall have received from the Borrower written notice of such proposed action at least 10 Business Days prior to the effective date of such proposed action and the Borrower has not received written notice from the

Administrative Agent on or prior to the effective date of such proposed action to the effect that such action will have a material adverse effect on the Pledged Revenue, or the assets, financial condition, business or operations of the Borrower or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party. If the Administrative Agent provides said notice to the Borrower, the Borrower may take the proposed action only with the prior written consent of the Required Lenders. The Borrower shall take no action, nor shall it cause the Custodian or any Other District to take any action under any of the Financing Documents inconsistent with the rights of the Lenders under this Agreement.

(b) No Additional Debt; No Liens.

(i) Except for the Interest Rate Exchange Agreements permitted under Section 2.07 hereof, the Borrower shall not incur, assume or permit (A) any additional Debt payable from or secured by any portion of the Collateral or (B) any General Obligation Debt.

(ii) Except with respect to the Interest Rate Exchange Agreements permitted under Section 2.07 hereof, the Borrower shall not grant or permit to be granted any lien on or security interest in and to any portion of the Collateral that is superior to, on a parity with, or subordinate to the lien on and security interest in and to the Collateral granted pursuant to Section 2.10 hereof

(c) Removal or Appointment of Custodian. The Custodian shall not be removed and no successor Custodian shall be appointed by the Borrower without the written consent of the Required Lenders, which consent shall not be unreasonably withheld.

(d) Investment Practices. The Borrower shall not engage in any of the following investment practices with respect to any amounts in its General Fund, any fund or account established under any of the Financing Documents, or any other fund or account in its possession or control containing any of the Collateral:

(i) increase or compound the dollar amount of funds available for investment by any means whatsoever, including obtaining loans, issuing debt, or purchasing securities on margin, including entering into reverse repurchase agreements, when the reinvestment funds are not matched to maturity, or similar instruments; or

(ii) invest (except to the extent appropriate as advised by an independent financial advisor to hedge existing interest rate risk) in any instrument commonly known as a derivative (such as, by way of example, an inverse floater, interest rate agreement, cap or collar) or invest in any other security with a derivative embedded in it (such as, by way of example, structured notes); or

(iii) invest in any variable rate or floating rate security unless the interest rate therefor is determined on a basis designed to result in a value of the security approximately equal to par; or

(iv) deviate from the investment policies of the Borrower or from the provisions of Section 24-75-601 Colorado Revised Statutes, as in effect on the Closing Date and

to the extent more restrictive than that in effect on the Closing Date, as it is in effect from time to time; or

(v) knowingly (after using reasonable efforts to determine the composition of the investment portfolio of the entity in question) invest in any entity or pooled investment program employing any investment strategy prohibited by clauses (i) through (iv) above.

(e) No Reduction of Pledged Revenue. The Borrower shall not take or permit to be taken any action that would have the effect of reducing collections that constitute Pledged Revenue, which reduction could have a material adverse effect on the Pledged Revenue or the ability of the Borrower to perform its obligations under this Agreement, or the other Financing Documents to which it is a party, including, but not limited to taking any action to reduce the PIF to below 1.25%, the Required Mill Levy to below 35 mills or District No. 3's obligation to impose an ad valorem mill levy on its taxable property to below 5 mills.

(f) Tax-Exempt Property. The Borrower shall not acquire any real property for tax-exempt purposes or transfer, sell, convey or otherwise dispose of any taxable property within its boundaries in any manner which would cause such property, following such transfer, sale, conveyance, or other disposition, to be exempt from ad valorem property taxation or sales taxation and if such acquisition, sale, conveyance or disposition would materially adversely affect the Pledged Revenue.

(g) Maintenance of Certain Insurance Coverages. The Borrower shall not take any action or omit to take any action which, if taken or omitted, would cause the Borrower to decrease its current level of general liability insurance coverage, its automobile insurance coverage or its public officials' liability insurance coverage.

(h) No Exclusion of Property. The Borrower shall take no action nor consent to any action that could have the effect of excluding property from its boundaries if such action could have a material adverse effect on the Pledged Revenue (or any portion thereof) or the ability of the Borrower to repay the Loan or comply with its obligations under this Agreement and the Interest Rate Exchange Agreements, each, as the same become due and payable.

Section 5.03 Affirmative Covenants of the Other Districts. Each Other District covenants and agrees that, unless at any time Required Lenders shall otherwise expressly consent in writing, so long as the Loan or any obligations of the Districts under this Agreement shall remain unpaid or unperformed:

(a) Compliance with this Agreement and the Other Financing Documents. Such Other District shall observe and perform each term, covenant, condition and agreement to be performed or observed under this Agreement and each term, covenant, condition and agreement in the Financing Documents to which such Other District is a party as though such terms, covenants, conditions and agreements were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligations of the Districts under this Agreement shall be unpaid or unperformed).

(b) Laws, Permits and Obligations. Such Other District shall comply with all applicable laws, rules, regulations, orders and directions of any governmental authority and all agreements and obligations binding on such Other District, noncompliance with which would have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party or which could affect the enforceability hereof or thereof, provided that such Other District may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to such Other District.

(c) Maintenance of Existence. Such Other District shall at all times preserve and maintain its existence, rights and privileges in the State.

(d) Annual and Other Statements. Such Other District as specified below shall furnish or cause the Borrower to furnish to the Administrative Agent for distribution to each Lender:

(i) as soon as available but in any event not later than 210 days after the end of each Fiscal Year (to the extent available), a balance sheet of District No. 2 and District No. 3 as of the end of the immediately preceding Fiscal Year and the related statements of operations and fund balances and cash flows for such Fiscal Year, prepared in accordance with GAAP consistently applied, in reasonable detail and certified by an Independent Accountant satisfactory to the Administrative Agent;

(ii) no later than December 31 of each year, a copy of District No. 2's and District No. 3's annual budget for the following Fiscal Year and, as soon as available, a copy of any proposed amendments thereto;

(iii) no later than September 30th of each year, a copy of the Preliminary Certified Assessed Valuation of each class of taxable property in District No. 2 and District No. 3;

(iv) promptly upon certification of any Required Mill Levy required to be levied in District No. 2 pursuant to Section 5.03(h) hereof, but not later than December 31 of each year, a certificate of an authorized representative of District No. 2 setting forth the amount of such Required Mill Levy so certified and a certification of total assessed value of each class of taxable property in District No. 2 for such Fiscal Year;

(v) promptly upon certification of an ad valorem mill levy in the amount of 5 mills required to be levied in District No. 3 pursuant to the Master Financing Agreement and the District No. 3 Intergovernmental Agreement, but not later than December 15 of each year, a certificate of an authorized representative of District No. 3 setting forth the amount of such ad valorem mill levy so certified, and a certification of total assessed value of each class of taxable property in District No. 3 for such Fiscal Year; and

(vi) promptly such other reports or information respecting the Collateral or the assets, financial condition, business or operations of such Other District as any Lender may request.

(e) Visitation and Examination. Unless otherwise prohibited by law, such Other District shall permit any Person designated by the Administrative Agent to visit any of its officers or the offices to examine the books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Administrative Agent may reasonably request.

(f) Litigation Notice. Such Other District shall, promptly after such Other District's obtaining knowledge thereof, notify the Administrative Agent in writing of any action, suit or proceeding at law or in equity by or before any governmental instrumentality or other agency which (i) has remained unresolved for a period of thirty (30) days from the commencement thereof and involves claims for damages or relief in an amount which would be likely to have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, or (ii) has resulted in a final judgment or judgments which would be likely to have such a material adverse effect.

(g) Defaults. Such Other District shall promptly notify the Administrative Agent and each Lender of any Event of Default of which such Other District has knowledge, setting forth the details of such Event of Default and any action which such Other District proposes to take with respect thereto or any event which, with the passage of time or the giving of notice or both, would become an Event of Default. Such Other District shall promptly forward to the Administrative Agent and each Lender upon receipt any notice of any default or potential default by any party to any Financing Document which such Other District may receive pursuant to any such Financing Document.

(h) Imposition, Collection and Enforcement of Taxes and Charges. District No. 2 and District No. 3 shall, at the time and in the manner provided by law, and in any event no later than December 15 of each year, levy, certify and collect taxes on all real and personal property within their respective boundaries at a mill levy rate equal to (i) with respect to District No. 2, the Required Mill Levy, which shall not be less than 35 mills and (ii) with respect to District No. 3, 5 mills. Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State. District No. 2 and District No. 3 shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to the applicable Intergovernmental Agreement.

Notwithstanding the foregoing provisions for tax levies, District No. 2 covenants and agrees to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, connection to, and use of the public facilities of District No. 2, which together with said tax levies and all other legally available revenues and funds of District No. 2, shall be sufficient to pay the costs of operating and maintaining said facilities.

(i) Further Assurances. Such Other District shall execute and deliver to the Administrative Agent all such documents, consents and instruments and do all such other acts and things as may be reasonably necessary or required by the Administrative Agent in order to enable the Administrative Agent to determine whether the covenants, terms and provisions of this Agreement and the other Financing Documents have been complied with by such Other District and to enable the Administrative Agent and the Lenders to exercise and enforce their

rights hereunder and under the other Financing Documents and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by any Lender to validate, preserve and protect the position of such Lenders hereunder and under the other Financing Documents.

(j) Proper Books and Records. Such Other District shall keep or cause to be kept adequate and proper records and books of account with respect to such Other District and any of the funds or accounts established in any of the Financing Documents and in its possession in which complete and correct entries shall be made.

(k) Notice of Adverse Change. Such Other District shall notify the Administrative Agent as soon as possible after such Other District acquires knowledge of the occurrence of (i) the filing of any action or the occurrence of any activity which could lead to an initiative or referendum which could lead to the material diminution or reallocation of the Pledged Revenue or any portion thereof, (ii) a change occurs in the financial or operating conditions of such Other District which, in the reasonable judgment of such Other District, could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, or (iii) any other event which, in the reasonable judgment of such Other District, is likely to have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party.

(l) Collection of Pledged Revenue; Transfer to Custodian. Such Other District shall enforce any contractual rights it may have to cause the County, the City, LURA, and the PIC, at the time and in the manner provided by law, to impose, collect and enforce for each Fiscal Year any portion of the Pledged Revenue at the time and in the form and manner and with like interest and penalties as other like taxes or fees and otherwise in the manner provided by applicable law and to transfer all Pledged Revenue upon receipt each month directly to the Custodian for deposit in the Debt Service Fund on or before the twentieth (20th) day of each month and, with respect to the Net TIF Revenues or District TIF Termination Revenues, promptly, upon receipt thereof.

Section 5.04 Negative Covenants of the Other Districts. Each Other District covenants and agrees that, unless at any time Required Lenders shall otherwise expressly consent in writing, so long as the Loan or any obligations of the Districts under this Agreement shall be unpaid or unperformed:

(a) No Change in Financing Documents. Such Other District shall not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents to which it is a party or consent to any cancellation, termination, amendment, supplement, modification or waiver of the Financing Documents if it has the right under such Financing Document to so consent, unless the Administrative Agent shall have received from such Other District written notice of such proposed action at least 10 Business Days prior to the effective date of such proposed action and such Other District has not received written notice

from the Administrative Agent on or prior to the effective date of such action, that such action will have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such Other District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party. If the Administrative Agent provides said notice to such Other District, such Other District may take the proposed action only with the prior written consent of the Required Lenders. Such Other District shall take no action, nor shall it cause the Custodian to take any action under any of the Financing Documents inconsistent with the rights of the Lenders under this Agreement.

(b) No Additional Debt; No Liens. No Other District shall incur, assume or permit any additional Debt payable from or secured by any part of the Collateral or, with respect to the Borrower, District No. 2 and District No. 4, any General Obligation Debt. Further, any General Obligation Debt issued or incurred by District No. 3 shall expressly state that the obligation of District No. 3 to impose an ad valorem mill levy is subordinate in all respects to the obligation of such District to impose an ad valorem mill levy necessary to generate the Residential Contribution pursuant to the District No. 3 Intergovernmental Agreement.

(c) Investment Practices. Such Other District shall not engage in any of the following investment practices with respect to any amounts in its General Fund, any fund or account established under any of the Financing Documents, or any other fund or account in its possession or control containing any of the Collateral:

(i) increase or compound the dollar amount of funds available for investment by any means whatsoever, including obtaining loans, issuing debt, or purchasing securities on margin, including entering into reverse repurchase agreements, when the reinvestment funds are not matched to maturity, or similar instruments; or

(ii) invest (except to the extent appropriate as advised by an independent financial advisor to hedge existing interest rate risk) in any instrument commonly known as a derivative (such as, by way of example, an inverse floater, interest rate agreement, cap or collar) or invest in any other security with a derivative embedded in it (such as, by way of example, structured notes); or

(iii) invest in any variable rate or floating rate security unless the interest rate therefor is determined on a basis designed to result in a value of the security approximately equal to par; or

(iv) deviate from the investment policies of such Other District or from the provisions of Section 24-75-601 Colorado Revised Statutes, as in effect on the Closing Date and to the extent more restrictive than that in effect on the Closing Date, as it is in effect from time to time; or

(v) knowingly (after using reasonable efforts to determine the composition of the investment portfolio of the entity in question) invest in any entity or pooled investment program employing any investment strategy prohibited by clauses (i) through (iv) above.

(d) No Reduction of Pledged Revenue. Such Other District shall not take or permit to be taken any action that would have the effect of reducing collections that constitute Pledged Revenue which reduction could have a material adverse effect on the Pledged Revenue or the ability of such Other District to perform its obligations under this Agreement or the other Financing Documents to which it is a party, including, but not limited to taking any action to reduce the PIF to below 1.25%, the Required Mill Levy to below 35 mills or District No. 3's obligation to impose an ad valorem mill levy on its taxable property to below 5 mills.

(e) Tax-Exempt Property. Such Other District shall not acquire any real property for tax-exempt purposes or transfer, sell, convey or otherwise dispose of any taxable property within its boundaries in any manner which would cause such property, following such transfer, sale, conveyance, or other disposition, to be exempt from ad valorem property taxation or sales taxation and if such acquisition, sale, conveyance or disposition would materially adversely affect the Pledged Revenue.

(f) Maintenance of Certain Insurance Coverages. Such Other District shall not take any action or omit to take any action which, if taken or omitted, would cause such Other District to decrease the level of its general liability insurance coverage, its automobile insurance coverage or its public officials' liability insurance coverage below levels required under the State law.

(g) No Exclusion of Property. Such Other District shall take no action nor consent to any action that could have the effect of excluding property from its boundaries if such action could have a material adverse effect on the Pledged Revenue (or any portion thereof) or the ability of such Other District to comply with its obligations under the related Intergovernmental Agreement, this Agreement or the Interest Rate Exchange Agreements.

Section 5.05 Tax Covenants. The Borrower shall not take any action or omit to take any action with respect to the Loan or Note, the proceeds thereof, or any other funds of the Borrower or any facilities financed or refinanced with the proceeds of the Loan or Note if such action or omission (a) would cause the interest on any Note to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on any Note to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (c) would cause interest on any Note to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. Specifically, the Borrower will not take any action or omit to take any action if such action or omission would cause any Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or a "private activity bond" within the meaning of Section 141 of the Code. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Loan until the date on which all obligations of the Borrower in fulfilling the above covenants under the Code and Colorado law have been met.

ARTICLE VI INVESTMENTS

Section 6.01 Investments of the Reserve Fund. All investments of amounts on deposit in the Reserve Fund shall be made such that the moneys in such fund, when invested, shall be on deposit with or in the possession of Compass in Denver, Colorado. Compass shall not be liable for any loss from investments made by it in accordance with this Agreement and Custodial Agreement.

Section 6.02 Reliance on Borrower Direction. Compass may rely upon the written investment direction provided to it by the Borrower as a determination that the investment described in such direction is a Permitted Investment.

Section 6.03 Compliance with Tax Covenants. Any and all such investments shall be in Permitted Investments only and shall be subject to full and complete compliance at all times with the covenants and provisions of Section 5.05 hereof.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no Default or Event of Default hereunder except as provided in this Section 7.01.

(a) The Borrower fails to pay the principal of or interest on the Loan when due, any fee due and payable under any Fee Letter, any amounts payable under Section 2.13 or any other amount due and payable to any Lender hereunder;

(b) The Borrower defaults in the performance or observance of covenants set forth in Section 5.01(c),(d),(i),(n), (p) or (q) or Section 5.02 hereof;

(c) Any Other District defaults in the performance or observance of covenants set forth in Section 5.03(c),(h) or (l) or Section 5.04 hereof;

(d) Any District defaults in the performance or observance of any of the other covenants, conditions or provisions of this Agreement, the Note, or any Financing Document to which it is a party, and fails to remedy the same to the satisfaction of the Required Lenders within thirty (30) days after the occurrence thereof;

(e) There occurs and is continuing an event of default under any Interest Rate Exchange Agreement where the Borrower is the Defaulting Party (as such term is defined in each Interest Rate Exchange Agreement) or an Early Termination Date (as defined in the related Interest Rate Exchange Agreement) has been designated pursuant to the Interest Rate Exchange Agreement without the prior written consent of the Required Lenders;

(f) The Borrower fails to replenish the Reserve Fund to the Reserve Requirement within twelve (12) months following the date of the draw thereon;

(g) Any financial information, statement, certificate, representation or warranty given to any Lender by or on behalf of any District in connection with entering into this Agreement, the Interest Rate Exchange Agreements or the other Financing Documents and/or any borrowing thereunder, or required to be furnished under the terms thereof, shall prove untrue or misleading in any material respect (as determined by any Lender in the exercise of its reasonable judgment) as of the time when given or deemed to be given;

(h) Any final judgment, not subject to further appeals, shall be obtained against the Borrower in excess of the sum of \$10,000 and shall remain unsatisfied, unpaid, unvacated, unbonded or unstayed for a period of 60 days following the date of entry thereof, unless such judgment, with the prior consent of the Required Lenders, is being, or to be satisfied, pursuant to the provisions of Section 24-10-113(3) or Section 13-60-101, Colorado Revised Statutes, as amended;

(i) (i) any District, LURA or the PIC shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or any District, LURA or the PIC shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any District, LURA or the PIC any case, proceeding or other action of a nature referred to in clause (i) and the same shall remain undismissed; or (iii) there shall be commenced against any District, LURA or the PIC any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) any District, LURA or the PIC shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any District, LURA or the PIC shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(j) (i) this Agreement, the Interest Rate Exchange Agreements or any other Financing Document to which it is a party, or any material provision hereof or thereof, ceases to be valid and binding on any District, or is declared null and void, or the validity or enforceability thereof is contested by any such entity party to such agreement or any governmental authority having jurisdiction over any such entity (unless being contested by such entity in good faith), or any District denies it has any or further liability under such Financing Documents to which it is a party or (ii) any pledge or security interest created hereunder or under the Custodial Agreement to secure any portion of the Districts' obligations hereunder or thereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(k) (i) the filing of any action or the occurrence of any activity which could lead to an initiative or referendum which could lead to the material diminution or reallocation of the Pledged Revenue or any portion thereof, (ii) in the Required Lenders' judgment a material adverse change occurs in the financial or operating conditions of any District or (iii) the occurrence of any other event (other than as described in this Section 7.01) that, in any Lender's reasonable judgment, could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of such District or its ability to perform its obligations under this Agreement or the other Financing Documents to which it is a party, and such District fails to cure such condition within three (3) months after receipt by such District of written notice thereof from any Lender;

(l) any funds or investments on deposit in, or otherwise to the credit of, the Reserve Fund, the Debt Service Fund, the Collateral Revenue Fund or any of the other funds or accounts established hereunder or under the Custodial Agreement, shall become subject to any writ, judgment, warrant or attachment, execution or similar process and the same is not released or dismissed within ten (10) days;

(m) any District shall initiate, acquiesce or consent to any proceedings to dissolve such District or to consolidate such District with other special districts into a single district, without the prior written consent of the Required Lenders;

(n) any District, the PIC or any Declarant shall take any action to reduce the PIF to below 1.25%, the Required Mill Levy to below 35 mills without the Required Lenders' prior written consent, District No. 3 ad valorem mill levy to below 5 mills without the Required Lenders' prior written consent or any other action which could have a material adverse effect on the Pledged Revenue or the assets, financial condition, business or operations of any District or its ability to perform its respective obligations under this Agreement, the Interest Rate Exchange Agreements or the other Financing Documents to which it is a party;

(o) the City, LURA or the PIC shall default in its obligations under the Master Financing Agreement or the other Financing Documents to which it is a party, which default, in the reasonable judgment of Required Lenders, could have a material adverse effect on the ability of the Districts to generate Pledged Revenue sufficient to satisfy the Borrower's obligations under the Custodial Agreement, the Interest Rate Exchange Agreements or this Agreement or its other obligations, and such entity fails to cause the cure of such default within thirty (30) days thereof;

(p) (i) failure by LURA to transfer Net TIF Revenues to the Borrower pursuant to the Master Financing Agreement or failure by the Borrower to transfer Net TIF Revenues or District TIF Termination Revenues to the Custodian pursuant to the Custodial Agreement, (ii) failure by District No. 2 to transfer the Required Mill Levy Revenues (if received by District No. 2) and Specific Ownership Tax Revenues to the Borrower pursuant to the Capital Pledge Agreement or failure by the Borrower to transfer the Required Mill Levy Revenues and Specific Ownership Tax Revenues to the Custodian pursuant to the Custodial Agreement, (iii) failure by District No. 3 to transfer the Residential Contribution to the Borrower pursuant to the District No. 3 Intergovernmental Agreement or failure by the Borrower to transfer the Residential Contribution to the Custodian pursuant to the Custodial Agreement, (iv) failure by

the City to transfer PIF Revenue directly to the PIC pursuant to the Collection Agreement or failure by the PIC to transfer PIF Revenue directly to the Custodian or (v) failure by the County to transfer the Specific Ownership Tax Revenues directly to the Custodian, in each case at the time and in the manner provided by the Master Financing Agreement, the Custodial Agreement, the PIF Declaration, and the other Financing Documents;

(q) any of LURA or the PIC shall initiate, acquiesce or consent to any proceedings to dissolve any of LURA or the PIC or to consolidate such entity with other similar entities into a single entity, without the prior written consent of the Required Lenders;

(r) the Borrower's auditor refuses or is unable to deliver an unqualified opinion with respect to the financial statements of the Borrower, or if District No. 2 is required by State law to have an audit performed, District No. 2's auditor refuses or is unable to deliver an unqualified opinion with respect to the financial statements of District No. 2; or

(s) except to the extent already described in this Section 7.01, the occurrence and continuation of an event of default under any of the Financing Documents after the expiration of any applicable grace period.

Section 7.02 Remedies on Occurrence of Event of Default.

(a) Acceleration. If any Event of Default described in Section 7.01 hereof shall occur and be continuing, (i) the Administrative Agent (upon the written request of the Required Lenders) shall declare any obligations of the Lenders to make Advances terminated and the Advance Period shall terminate as of the date of such declaration, and (ii) subject to the last sentence of this Section 7.02(a), the Administrative Agent may (at its sole discretion) and shall (upon written request of the Required Lenders) declare all or any part of the Loan and any other amounts due hereunder to be due and payable, whereupon the Loan and all other amounts hereunder shall become immediately due and payable (in whole or in part, as applicable), all without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Districts. The Administrative Agent shall promptly advise the Districts of such declaration, but failure to do so shall not impair the effect of such declaration. Upon occurrence of an event or condition constituting a Default or an Event of Default of which the Administrative Agent has knowledge as provided in Section 8.10 hereof, the Administrative Agent shall provide notice thereof (the "**Default Notice**") to the Lenders and Lenders shall have three (3) Business Days from the date of the Default Notice to direct the Administrative Agent whether to take the action described in clauses (i) and (ii) above, provided however, that if the Required Lenders fail to provide the direction to the Administrative Agent within said three (3) Business Days, the Administrative Agent may, in its sole discretion, accelerate the Loan and the amounts due hereunder as described in clause (ii) above.

(b) Other Remedies. In addition, the Lenders shall have any of the following remedies which may be exercised by the Required Lenders if any Event of Default described in Section 7.01 hereof shall occur and be continuing:

(i) Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Lenders hereunder or under

any other Financing Document of which the Lenders are beneficiaries, the Lenders shall be entitled as a matter of right to the appointment of a receiver or receivers of the Pledged Revenue, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of each District; but notwithstanding the appointment of any receiver or other custodian, the Administrative Agent, on behalf of the Lenders, shall be entitled to the possession and control of any cash, securities, or other instruments constituting the Collateral at the time held by, or payable or deliverable under the provisions of this Agreement, the Custodial Agreement or any other Financing Document of which the Lenders are beneficiaries.

(ii) *Suit for Judgment.* The Required Lenders may proceed to protect and enforce the Lenders' rights under this Agreement or any other Financing Document of which the Lenders are beneficiaries and any provision of law by such suit, action, or special proceedings as the Required Lenders shall deem appropriate.

(iii) *Mandamus or Other Suit.* The Lenders may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce their rights hereunder or under any other Financing Document of which the Lenders are beneficiaries.

(c) Judgment. No recovery of any judgment by the Lenders shall in any manner or to any extent affect the lien of this Agreement on the Collateral or any rights, powers, or remedies of the Lenders hereunder or under any other Financing Document of which the Lenders are beneficiaries, but such lien, rights, powers, and remedies of the Lender shall continue unimpaired as before.

(d) Additional Rights. Upon the occurrence of an Event of Default, the Lenders may at any time setoff (as described in Section 7.04 below) and/or take such other steps to protect or preserve the Lenders' interests in the Pledged Revenue and the Collateral.

Section 7.03 Notices of Default. Notwithstanding any cure period described above, any District and any Lender will immediately notify the other parties hereto and the Custodian in writing when such District or such Lender obtains knowledge of the occurrence of any event or condition constituting a Default or Event of Default.

Section 7.04 Lenders' Right to Setoff. As additional security for the payment of the obligations to the Lenders described in this Agreement, the Note and in the other Financing Documents (collectively the "**Obligations**"), each District hereby grants to each Lender a security interest in, a lien on and an express contractual right to set off against all depository account balances, cash and any other property of such District now or hereafter in the possession of a Lender and the right to refuse to allow withdrawals from any account to the extent any such funds and accounts constitute Pledged Revenue hereunder (collectively "**Setoff**"). Any Lender may, at any time upon the occurrence of a Default or an Event of Default hereunder, Setoff against the Obligations whether or not the Obligations (including future payments to be made) are then due, all without any advance or contemporaneous notice or demand of any kind to any District, such notice and demand being expressly waived.

Section 7.05 Proration of Payments. If any Lender shall obtain any payment of other recovery (whether voluntary, involuntary, by application of set-off or otherwise), on account of principal of or interest on the Loan in excess of its applicable Pro Rata Share of payments and other recoveries obtained by all Lenders on account of principal of an interest on such Loan (or such participation) then held by them, then such Lender shall purchase from the other Lenders such participations in the Loan held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery.

Section 7.06 Delay or Omission No Waiver. No delay or omission of the Lenders to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 7.07 Waivers of Events of Default. The effect as an Event of Default of any event described in Section 7.01(a) may only be waived by the written concurrence of each Lender, and the effect as an Event of Default of any other event described in Section 7.01 may be waived by the written concurrence of the Required Lenders. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.08 All Remedies Cumulative. All rights and remedies of the Lenders provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 7.09 Other Remedies. Nothing in this Article VII is intended to restrict the Lenders' rights under any of the Financing Documents or at law, and the Lenders may exercise all such rights and remedies as and when they are available.

ARTICLE VIII ADMINISTRATIVE AGENT

Section 8.01 Appointment; Nature of Relationship. U.S. Bank National Association is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "**Administrative Agent**") hereunder and under each other Financing Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Financing Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article VIII. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Financing Document and that the Administrative Agent is merely acting as the contractual representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Financing Documents. In its capacity as the Lenders'

contractual representative, the Administrative Agent (i) does not hereby assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the Colorado Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Financing Documents. Each Lender hereby agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of a fiduciary duty, all of which claims each Lender hereby waives, provided however, that such waiver shall not limit any Lender's rights to pursue any remedy available to it under applicable law under any other theory of liability.

Section 8.02 Powers. The Administrative Agent shall have and may exercise such powers under the Financing Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Financing Documents to be taken by the Administrative Agent.

Section 8.03 General Immunity. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Other Districts or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Financing Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

Section 8.04 No Responsibility for Loan, Recitals, etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Financing Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Financing Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered solely to the Administrative Agent; (d) the existence or possible existence of any Default or Event of Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Financing Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Borrower, the Other Districts or any other obligor under the Financing Documents.

Section 8.05 Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Financing Document in accordance with written instructions signed by the Required Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Financing Document unless it shall be requested in writing to do so by the Required Lenders.

Section 8.06 Employment of Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Financing Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Financing Document.

Section 8.07 Delivery of Documents. The Administrative Agent agrees to promptly provide each Lender with copies of (a) this Agreement and the Financing Documents (including any amendments thereto), (b) any default notices sent by the Administrative Agent to the Borrower or the Other Districts with respect to this Agreement or any Financing Document and any notices of defaults received by the Administrative Agent from any other party hereto or any party to a Financing Document, (c) any waivers or consents signed by the Administrative Agent or otherwise sent by the Administrative Agent to the Borrower or the Other Districts with respect to this Agreement or the Financing Documents, (d) any requests for any amendments, waivers or consents sent to the Administrative Agent by the Borrower or any Other District with respect to this Agreement or the Financing Documents, (e) any other written notices, reports or other written communications that the Administrative Agent receives from the Borrower or the Other Districts or any other obligor under the Financing Documents about the Districts, the Collateral, this Agreement or the Financing Documents, and (f) at any Lender's request, any other information about the Districts, the Collateral, this Agreement, or the Financing Documents which are in the possession of the Administrative Agent.

Section 8.08 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon the Note, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, electronic mail message, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent. For purposes of determining compliance with the conditions specified in Sections 3.01 and 3.02, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the applicable date specifying its objection thereto.

Section 8.09 Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Pro Rata Share of the Outstanding Loan Amount (i) for any amounts not paid by the Districts for which the Administrative Agent (in its capacity as such and not as a Lender) is entitled to payment by the Districts under the Financing Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Financing Documents (including, without limitation, for any expenses incurred by the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties,

actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Financing Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Financing Documents or of any such other documents, *provided* that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The obligations of the Lenders under this Section 8.09 shall survive repayment of the Loan, cancellation of the Note, sale of a Defaulting Lender's Pro Rata Share of the Loan pursuant to Section 2.14 hereof or assignment of a Lender's Pro Rata Share of the Loan pursuant to Section 9.01 hereof and termination of this Agreement.

Section 8.10 Notice of Event of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of Lenders, unless the Administrative Agent has received written notice from a Lender or any District referring to this Agreement describing such Default or Event of Default and stating that such notice is a "notice of default". In the event of a default in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of Lenders or in the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders and the Custodian; provided that, except as expressly set forth in the Financing Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of the Other Districts that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall take such action with respect to such Event of Default or Default as may be requested by the Required Lenders in accordance with Section 7.02; provided that, subject to Section 7.02(a), unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Default as it shall deem advisable or in the best interest of Lenders.

Section 8.11 Rights as a Lender. In the event the Administrative Agent is a Lender, the Administrative Agent shall have the same rights and powers hereunder and under any other Financing Document with respect to its Pro Rata Share of the Loan as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "**Lender**" or "**Lenders**" shall, at any time when the Administrative Agent is a Lender, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Financing Document, with the Borrower, any of the Other Districts in which the Borrower or such Other District is not restricted hereby from engaging with any other Person.

Section 8.12 Lender Credit Decision, Legal Representation.

(a) Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Syndication Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Syndication Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Financing Documents. Except for any notice, report, document or other information expressly required to be furnished to the Lenders by the Administrative Agent or the Syndication Agent hereunder, neither the Administrative Agent nor the Syndication Agent shall have any duty or responsibility (either initially or on a continuing basis) to provide any Lender with any notice, report, document, credit information or other information concerning the affairs, financial condition or business of the Borrower or any of the Other Districts or any other obligor under the Financing Documents that may come into the possession of the Administrative Agent or the Syndication Agent (whether or not in their respective capacity as the Administrative Agent or the Syndication Agent) or any of their Affiliates.

(b) Each Lender further acknowledges that it has had the opportunity to be represented by legal counsel in connection with its execution of this Agreement and the other Financing Documents, that it has made its own evaluation of all applicable laws and regulations relating to the transactions contemplated hereby, and that the counsel to the Administrative Agent represents only the Administrative Agent and not the Lenders in connection with this Agreement and the transactions contemplated hereby.

Section 8.13 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders, the Borrower and the Other Districts, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, forty-five (45) days after the retiring Administrative Agent gives notice of its intention to resign. Upon any such resignation, the Required Lenders shall have the right to appoint, on behalf of the Borrower, the Other Districts and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders within thirty (30) days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Borrower, the Other Districts and the Lenders, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Borrower, any of the Districts or any Lender, appoint any of its Affiliates which is a commercial bank and has retained earnings of at least \$100,000,000 as a successor Administrative Agent hereunder. If the Administrative Agent has resigned or been removed and no successor Administrative Agent has been appointed, the Lenders may perform all the duties of the Administrative Agent hereunder and under the Financing Documents and the Borrower and the Other Districts shall make all payments hereunder or under the Note to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor Administrative Agent

shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent. Upon the effectiveness of the resignation or removal of the Administrative Agent, the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the Financing Documents. After the effectiveness of the resignation or removal of an Administrative Agent, the provisions of this Article VIII shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Financing Documents. In the event that there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this Section 8.13, then the term "LIBOR" and "Federal Funds Effective Rate" as used in this Agreement shall mean the analogous rate of the new Administrative Agent.

Section 8.14 Delegation to Affiliates. The Borrower, the Other Districts and the Lenders agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Administrative Agent is entitled under this Agreement (including without limitation Article VIII hereof).

Section 8.15 Execution of Financing Documents; Filing of Financing Statements. The Lenders hereby empower and authorize the Administrative Agent on their behalf to execute and deliver to the Borrower or any of the Other Districts or any other obligor under the Financing Documents and the Custodial Agreement and subject to the provisions hereof relating to the rights of Required Lenders to consent or provide direction to the Administrative Agent, all related financing statements and any financing statements, agreements, documents or instruments as shall be necessary or appropriate to effect the purposes of this Agreement, the Custodial Agreement and any other Financing Documents.

The Administrative Agent shall be responsible for the filing of any UCC continuation statements or comparable instrument necessary to continue the effectiveness of UCC financing statements filed in connection with the Loan. The Corporation shall be responsible for the reasonable costs incurred by the Administrative Agent in the preparation and filing of all continuation statements hereunder.

Section 8.16 Collateral Releases. The Lenders hereby empower and authorize the Administrative Agent to execute and deliver to the Borrower or any of the Other Districts or any other obligor under the Financing Documents on their behalf any agreements, documents or instruments as shall be necessary or appropriate to effect any releases of Collateral which shall be permitted by the terms hereof or of any other Financing Document or which shall otherwise have been approved by the Required Lenders (or, if required by the terms of Section 10.01, all of the Lenders) in writing.

Section 8.17 Joint Lead Arranger, Joint Book Runner, Syndication Agent, etc. Neither any of the Lenders identified in this Agreement as a "Joint Lead Arranger" or "Joint Book Runner" or Lead Bank shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. The Lender identified in this Agreement as the Syndication Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those rights specifically enumerated in Sections 2.14, 2.15 and 3.01 hereof and those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to such Lenders as it makes with respect to the Administrative Agent in Section 8.12.

Section 8.18 Non-Receipt of Funds by the Administrative Agent. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, any Advance or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three days and, thereafter, the effective interest rate applicable to the Loan or (y) in the case of payment by the Borrower, the effective interest rate applicable to the Loan.

ARTICLE IX ASSIGNMENTS, PARTICIPATIONS

Section 9.01 Assignments.

(a) Any Lender may at any time assign to one or more Persons (any such Person, an "Assignee") all or any portion of such Lender's Pro Rata Share of the Loan, with the prior written consent of the Administrative Agent, and, so long as no Event of Default exists, the Borrower (which consents shall not be unreasonably withheld or delayed and shall not be required for an assignment by a Lender to a Lender or an Affiliate of a Lender). Except as the Administrative Agent may otherwise agree, any such assignment (other than any assignment by a Lender to a Lender or an Affiliate of a Lender) shall be in a minimum aggregate amount equal to \$5,000,000 or, if less, the principal amount of the Assignee's Pro Rata Share of the Outstanding Loan Amount being assigned. The Borrower and the Administrative Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until the Administrative Agent shall have received and accepted an effective Assignment Agreement executed, delivered and fully completed by the applicable parties thereto and a processing fee of \$3,500 to be paid to the Administrative Agent for processing such assignment, which fee shall be paid by the Lender to whom such interest is assigned; provided,

that no such fee shall be payable in connection with any assignment by a Lender to a Lender or an Affiliate of a Lender. Any attempted assignment not made in accordance with this Section 9.01 shall be treated as the sale of a participation under Section 9.02. The Borrower shall be deemed to have granted its consent to any assignment requiring its consent hereunder unless the Borrower has expressly objected to such assignment within five Business Days after notice thereof.

(b) From and after the date on which the conditions described above have been met such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to such Assignment Agreement, shall have the rights and obligations of a Lender hereunder. Any Assignee agrees by acceptance of such assignment to be bound by all the terms and provisions of this Agreement.

(c) The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in the United States a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of each Lender, and the Pro Rata Share of, and principal amount of the Loan owing to, such Lender pursuant to the terms hereof. The entries in such register shall be conclusive, and the Borrower, the Administrative Agent and Lenders may treat each Person whose name is recorded therein pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such register shall be available for inspection by the Borrower and any Lender, at any reasonable time upon reasonable prior notice to the Administrative Agent.

(d) Notwithstanding the foregoing provisions of this Section 9.01 or any other provision of this Agreement, any Lender may at any time assign all or any portion of its Loan and its Note (i) as collateral security to a Federal Reserve Bank, Federal Home Loan Bank or, as applicable, to such Lender's trustee for the benefit of its investors (but no such assignment shall release any Lender from any of its obligations hereunder) and (ii) to (w) an Affiliate of such Lender which is more than 50% owned (directly and indirectly) by such Lender or by its direct or indirect parent company, (x) its direct or indirect parent company, or (y) to one or more other Lenders.

(e) Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the Pro Rata Share of the Loan shall be conclusive and binding on any subsequent holder or Assignee of all or a portion of such Pro Rata Share.

Section 9.02 Participations. Any Lender may at any time sell to one or more Persons participating interests in its Pro Rata Share of the Loan or other interests hereunder (any such Person, a "**Participant**"). In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder shall remain unchanged for all purposes, (b) the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder, (c) all amounts payable by Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender and (d) the participation of one or more Participants shall

not reduce or alter such Lender's obligations under this Agreement or affect in any way the rights or obligations of the Borrower or the Other Districts hereunder or under the Note. Each Lender agrees to solely as an agent for the Borrower, maintain a register to reflect the transfer and ownership of any participation, including the name and address of each Participant and the amount of such Participant's participation, such participation shall only be transferable upon recordation in the register, such register shall be available for inspection by the Borrower and the Administrative Agent at any reasonable time upon notice by the Borrower or the Administrative Agent, as applicable. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 2.09 and 10.04(c) hereof as though it were also the Lender hereunder and if amounts outstanding under this Agreement are due and payable (as a result of acceleration or otherwise) or an event which causes the Default Margin to be in effect, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that such right of set-off shall be subject to the obligation of each Participant to share with Lenders, and Lenders agree to share with each Participant, as provided in Section 7.05 hereof. Borrower also agrees that each Participant shall be entitled to the benefits of Section 2.13 as if it were a Lender (provided that no Participant shall receive any greater compensation pursuant to Section 2.13 than would have been paid to the participating Lender if no participation had been sold).

Section 9.03 Dissemination of Information. Each District authorizes each Lender to disclose to any participant or Assignee or any other Person acquiring an interest in the Loan and this Agreement by operation of law (each a "**Transferee**") and any prospective Transferee any and all information in such Lender's possession concerning the Districts and the Collateral.

ARTICLE X MISCELLANEOUS

Section 10.01 Waiver; Amendments. No delay on the part of the Administrative Agent or any Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement, the Note or, subject to the provisions of Section 4.02(a) and 4.04(a), any of the other Financing Documents shall in any event be effective unless the same shall be in writing and approved by the Required Lenders and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such supplemental agreement shall: (a) without the consent of each Lender directly affected thereby, extend the final maturity of the Loan, or postpone any regularly scheduled payment of principal of the Loan or forgive all or any portion of the principal amount thereof or any payment obligation related thereto, or reduce the rate or extend the time of payment of interest or fees thereon or payment obligations related thereto or increase the amount of any Lender's Pro Rata Share of the Loan; (b) without the consent of all of the Lenders, amend the definition of Required Lenders; (c) without the consent of all of the Lenders, amend this Section 10.01; (d) without the consent of all of the Lenders, release any obligor under any of the Financing Documents or, except as provided in the Financing Documents, release all or substantially all of the Collateral. No amendment of any provision of this Agreement relating to

the Administrative Agent shall be effective without the written consent of the Administrative Agent. The Administrative Agent may (i) waive payment of the processing fee required under Section 10.01(a) without obtaining the consent of any other party to this Agreement. The percentages of the Pro Rata Shares may be changed pursuant to the provisions hereof or as may be agreed by the Lenders without prior consent or approval of the Districts.

Notwithstanding any other provision herein, any amendment made to this Agreement shall require approval of such amendment by the City Manager of the City or his or her designee (the "**City Manager**") and the City Attorney of the City or his or her designee (the "**City Attorney**"), which review and approval shall be limited to ensuring that any such amendment is consistent with the Master Financing Agreement and the Service Plan of District Nos. 1-4. Review and approval of any amendment by the City Manager and the City Attorney shall be completed within forth-five days after a preliminary draft of such amendment is provided to the City Manager and the City Attorney for review and within ten days after such amendment is provided to the City Manager and the City Attorney in draft form considered by the Borrower's legal counsel to be final. In the event that neither written approval nor a written statement of rejection of such amendment is received from the City Manager and the City Attorney within any such timeframe, the amendment shall be deemed to be approved by the City. If such amendment is rejected, the written notice thereof shall specify the reasons that such amendment is not consistent with the Master Financing Agreement and the Service Plan of District Nos. 1-4.

Section 10.02 Release of Collateral. Notwithstanding anything to the contrary contained herein or any other Financing Document, when the Loan, and all obligations of the Districts hereunder have been paid in full, then (i) the Collateral shall be released from the liens created hereunder and all rights and obligations (other than those expressly stated to survive such termination) of the Districts under this Agreement shall terminate, all without delivery of any instrument or performance of any act by any Person, and (ii) upon request of the Borrower, the Administrative Agent shall take such actions as shall be required to release its security interest in all Collateral.

Section 10.03 Loan Agreement and Relationship to Other Documents. The warranties, covenants and other obligations of the Districts (and the rights and remedies of the Lenders) that are outlined in this Agreement and the other Financing Documents are intended to supplement each other. Further, the terms of this Agreement shall supersede the terms of any term sheet or commitment between the parties which predates this Agreement.

Section 10.04 Actions Relating to the Financing Documents; Indemnity.

(a) Related Actions. Any action taken or omitted by the Administrative Agent or any Lender under or in connection with this Agreement or the Financing Documents, if taken or omitted in good faith and without willful misconduct or gross negligence, shall be binding upon the Districts and shall not put the Administrative Agent or any Lender under any resulting liability to the Districts.

(b) No Liability. The relationship between the Borrower and the Other Districts on the one hand and the Lenders, the Administrative Agent and the Syndication Agent on the other hand shall be solely that of borrower and lender. Neither the Administrative Agent,

nor the Syndication Agent nor any Lender shall have any fiduciary responsibilities to the Borrower or the Other Districts. The Administrative Agent, the Syndication Agent and the Lenders shall not have any liability to the Districts, and the Districts assume all risk and responsibility for (i) the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any demands and other documents, instruments and other papers relating to this Agreement or any Financing Document even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged, (ii) the general and particular conditions stipulated therein, (iii) the good faith acts of any Person whatsoever in connection therewith, (iv) failure of any Person (other than the Lenders, subject to the terms and conditions hereof) to comply with the terms of this Agreement or any Financing Document, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless or otherwise, whether or not they be in code, (vi) errors in translation or errors in interpretation of technical terms, (vii) for any other consequences arising from causes beyond the Lenders' control, or (viii) or any other circumstances whatsoever in making or failing to make payment under the Draw Down Committed Loan Amount. Neither the Administrative Agent, the Syndication Agent nor any Lender shall have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect, consequential or punitive damages suffered by the Borrower in connection with, arising out of, or in any way related to the Financing Documents or the transactions contemplated thereby.

(c) Litigation/Indemnification. In consideration of the execution and delivery of this Agreement by the Lenders and the agreement to make the Loan hereunder, the Districts hereby agree, to the extent permitted by law, jointly and severally, to indemnify, exonerate and hold the Administrative Agent, the Syndication Agent, each Lender and each of the employees, officers, directors, agents, Affiliates and controlling Persons of the Administrative Agent, the Syndication Agent and each Lender (each individually, an "**Indemnitee**" and collectively, the "**Indemnitees**") to the full extent lawful against any and all claims, losses and expenses incurred (including all reasonable fees and disbursements of the Indemnitees' legal counsel and allocated cost of in-house counsel and staff and all of the Indemnitees' reasonable travel and other out-of-pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (i) the financing provided under this Agreement, (ii) the Pledged Revenue or Collateral, (iii) execution and delivery of the Note by the Borrower, (iv) any project financed with the proceeds of the Loan; or (v) the execution, delivery, performance or enforcement of this Agreement or any other Financing Document, except to the extent such claims, losses and expenses are determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Indemnitee. The obligations of the Districts under this Section 10.04(c) shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive repayment of the Loan, cancellation of the Note, sale of a Defaulting Lender's Pro Rata Share of the Loan pursuant to Section 2.14 hereof or assignment of a Lender's Pro Rata Share of the Loan pursuant to Section 9.01 hereof and the termination of this Agreement.

If indemnification pursuant to this Section 10.04(c) shall be found to be unlawful or invalid for any reason, then the Districts and each Indemnitee shall, to the extent lawful, make contributions in payment of any liabilities incurred by the Indemnitee in accordance with the respective fault of the Districts and such Indemnitee.

If any action shall be brought against any Indemnatee in respect of which indemnity may be sought against the Districts, such Indemnatee shall promptly notify the Districts in writing, and the Districts shall, to the extent permitted by law, promptly assume the defense thereof, including the employment of counsel (the selection of which shall have been approved by such Indemnatee and such approval shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. The Districts shall not settle any such action which adversely affects the Indemnatee without such Indemnatee's consent. In the event that the Indemnatee shall be advised by counsel experienced in matters of banking or securities laws that the Indemnatee has defenses or causes of action separate from those of any of the Districts, the Indemnatee shall have the right to employ its own counsel to defend such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of the Districts. No District shall be liable for any settlement of any such action effected without its consent, but if settled with the consent of such District, or if there be a final judgment for the plaintiff in any such action against such District or the Indemnatee, with or without its consent such District agrees to indemnify and hold harmless the Indemnatee to the extent provided herein.

To the extent permitted by law, this indemnification and hold harmless provision will survive the repayment of the Loan, cancellation of the Note, sale of a Defaulting Lender's Pro Rata Share of the Loan pursuant to Section 2.14 hereof or assignment of a Lenders' Pro Rata Share of the Loan pursuant to Section 10.01 hereof and termination of this Agreement.

(d) Obligations Unconditional. The Borrower's obligation to repay the Loan hereunder and the Note and all of the Districts' other obligations under this Agreement shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have against the Administrative Agent, the Syndication Agent, any Lender or any other Person, including, without limitation, any defense based on any condition set forth in Section 3.02 hereof not being satisfied or based on invalidity, inaccuracy, falsity, or lack of genuineness, whether by forgery, fraud or otherwise, of any document, demand, or statement presented hereunder or any nonapplication or misapplication of the proceeds of the Loan hereunder, and irrespective of the legality, validity, regularity or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Administrative Agent explicitly reciting the release or discharge of any such obligation), or any consent to or departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any Collateral or any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing contained in this clause (d) shall abrogate or otherwise affect the rights of the Borrower pursuant to clause (c) above.

(e) Waivers, Etc. To the full extent permitted by law: (i) the Districts hereby waive (A) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of non-payment; (B) to the extent the Lenders are not in default hereunder, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Lenders (or the Administrative Agent on behalf of the Lenders) until all obligations of the Districts to the Lenders hereunder, howsoever arising, shall have been paid; (C) the right to require the Lenders (or the Administrative Agent on behalf of the Lenders) to proceed against any of the Districts hereunder, or against any Person under any guaranty or similar arrangement, or under any

agreement between any Lender and any Person or to pursue any other remedy in the Lenders' (or the Administrative Agent's) power; (D) all statutes of limitation; and (E) any defense arising out of the election by the Lenders (or the Administrative Agent on behalf of the Lenders) to foreclose on any security by one or more nonjudicial or judicial sales; (ii) the Lenders (or the Administrative Agent on behalf of the Lenders) may exercise any other right or remedy, even though any such election operates to impair or extinguish any District's right to repayment from, or any other right or remedy it may have against, any Person, or any security; and (iii) the Districts agree that the Lenders (or the Administrative Agent on behalf of the Lenders) may proceed against any District or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release or substitution of any security, guaranty, or loan or change of any term or condition thereunder or hereunder or any Financing Document (other than by mutual agreement between the Districts and the Lenders (or the Administrative Agent on behalf of the Lenders)) shall not in any way affect the liability of the Districts hereunder.

Section 10.05 Notice of Claims Against Lender; Limitation of Certain Damages. In order to allow the Lenders to mitigate any damages to the Borrower or Other Districts from the Lenders' alleged breach of their duties under this Agreement or any other duty, if any, to the Borrower or the Other Districts, each District agrees to give the Administrative Agent and the applicable Lender written notice no later than twenty (20) days after such District knows of any claim or defense it has against such Lender, whether in tort or contract, relating to any action or inaction by such Lender under this Agreement, or the transactions related thereto, or of any defense to payment of the Obligations for any reason. The requirement of providing timely notice to the Lenders represents the parties' agreed-to standard of performance regarding the duty of the Lenders to mitigate damages related to claims against the Lenders. Notwithstanding any claim that the Borrower or any Other District may have against the Lenders, and regardless of any notice the Borrower or any Other District may have given the Lenders, no Lender will be liable to the Borrower or any Other District for consequential and/or special damages arising therefrom, except those damages arising from Lender's willful misconduct, gross negligence or bad faith. Failure by the Borrower to give notice to the applicable Lender shall not waive any claims of the Borrower but such failure shall relieve such Lender of any duty to mitigate damages prior to receiving notice.

Section 10.06 Notices. All notices hereunder shall be in writing (including facsimile transmission and electronic mail transmission) and shall be sent to the applicable party at its address shown on **Exhibit I** or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission or electronic mail transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received.

Section 10.07 Payments. Payments due on the Loan shall be made in lawful money of the United States.

Section 10.08 Applicable Law and Jurisdiction; Interpretation; Severability. This Agreement will be governed by and interpreted in accordance with the internal laws of the State

of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Agreement will not affect any other provision. THE PARTIES HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN DENVER, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON FORUM NON CONVENIENS, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTES, THE PLEDGED REVENUE, THE COLLATERAL OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING; PROVIDED THAT ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS WITH RESPECT TO THE INTEREST RATE EXCHANGE AGREEMENTS SHALL BE GOVERNED BY THE TERMS THEREOF. Nothing in this Agreement will affect the parties' rights to serve process in any manner permitted by law.

Section 10.09 Copies; Entire Agreement; Modification. Each District hereby acknowledges the receipt of a copy of this Agreement and all other Financing Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. THE TERMS OF THIS AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE SHALL ALSO BE EFFECTIVE WITH RESPECT TO ALL OTHER CREDIT AGREEMENTS NOW IN EFFECT BETWEEN ANY DISTRICT AND ANY LENDER. A MODIFICATION OF ANY OTHER CREDIT AGREEMENT NOW IN EFFECT BETWEEN ANY DISTRICT AND ANY LENDER, WHICH OCCURS AFTER RECEIPT BY THE DISTRICTS OF THIS NOTICE, MAY BE MADE ONLY BY ANOTHER WRITTEN INSTRUMENT. ORAL OR IMPLIED MODIFICATIONS TO ANY SUCH CREDIT AGREEMENT ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

Section 10.10 Waiver of Jury Trial. THE PARTIES HEREBY JOINTLY AND SEVERALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. EACH DISTRICT AND EACH LENDER REPRESENTS TO THE OTHERS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 10.11 Attachments. All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 10.12 No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board of a District, or any officer or agent of a District, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the District and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on

the Loan or amounts due under the Note. Such recourse shall not be available either directly or indirectly through the Board of any District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfers, the Lenders, and any person purchasing or accepting the transfer of the obligations representing the Loan or the Note specifically waives any such recourse.

Section 10.13 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Agreement is entered into and the Note is issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note and this Agreement.

Section 10.14 Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Note or this Agreement shall be commenced more than 30 days after the authorization of the Note and this Agreement.

Section 10.15 No Third Party Beneficiaries. There are no third party beneficiaries under this Agreement.

Section 10.16 Payment on Non Business Days. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 10.17 USA Patriot Act. Each Lender that is subject to the USA Patriot Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (for purposes of this Section, the "Act") and the Administrative Agent, for itself and on behalf of the Lenders, hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act.

Section 10.18 Termination. This Agreement shall terminate at such time as no amounts are due and owing to the Lenders under this Agreement or the Note or under any of the other Financing Documents.

Section 10.19 Waiver of Suretyship Rights. The Districts and the Lenders intend that the obligations of the Districts under this Agreement and the Note constitute direct obligations of the Districts and not obligations in the nature of a guaranty or a surety. Nevertheless, should it ever be deemed that the Districts' obligations hereunder or under the Note are in the nature of a guarantor or surety, then the Districts expressly waive any and all benefits under applicable suretyship or similar laws now or hereafter in effect. The Districts agree that the Lenders (or the Administrative Agent on behalf of the Lenders) may enforce this Agreement and the Note without the necessity of resorting to or exhausting any security or collateral, and the Districts waive the right to require the Lenders (or the Administrative Agent on behalf of the Lenders) to

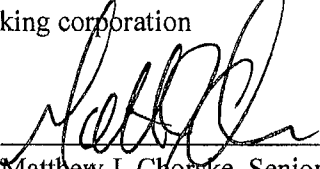
proceed against the Districts, to exercise any right or remedy under this Agreement or the Note or to pursue any other remedy, or to enforce any other right.

[Signature pages to follow]


IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

LENDERS

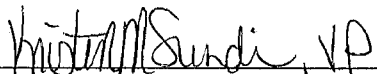
COMPASS BANK, an Alabama state chartered banking corporation

By 
Matthew J. Chorske, Senior Vice President

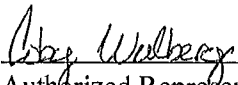
U.S. BANK NATIONAL ASSOCIATION

By 
Authorized Representative


BOKF, N.A. d/b/a Colorado State Bank & Trust, successor by merger to Colorado State Bank & Trust, N.A.

By  VP
Authorized Representative

VECTRA BANK

By 
Authorized Representative

COLORADO BUSINESS BANK

By 
Authorized Representative


DISTRICTS

CENTERRA METROPOLITAN DISTRICT
NO. 1, a quasi municipal corporation and
political corporation of the State of Colorado

By 
President

[SEAL]

Attest:

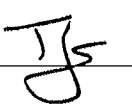
By 
Secretary

CENTERRA METROPOLITAN DISTRICT
NO. 2, a quasi municipal corporation and
political corporation of the State of Colorado

By 
President

[SEAL]

Attest:


By 
Secretary

CENTERRA METROPOLITAN DISTRICT
NO. 3, a quasi municipal corporation and
political corporation of the State of Colorado

By 
President

[SEAL]

Attest:

By 
Secretary


[Signature Page to Loan Agreement]

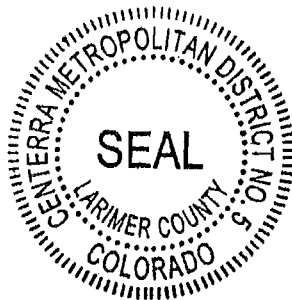
CENTERRA METROPOLITAN DISTRICT
NO. 4, a quasi municipal corporation and
political corporation of the State of Colorado

By 
President

[SEAL]

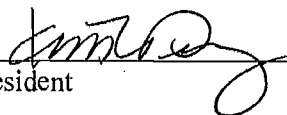
Attest:

By 
Secretary



[SEAL]

CENTERRA METROPOLITAN DISTRICT
NO. 5, a quasi municipal corporation and
political corporation of the State of Colorado

By 
President

Attest:

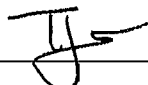
By 
Secretary

EXHIBIT A
FORM OF NOTE
PROMISSORY NOTE

US \$ _____

[Date]

FOR VALUE RECEIVED, CENTERRA METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as "**Maker**"), promises to pay to the order of U.S. Bank National Association, Compass Bank, BOKF, N.A. d/b/a Colorado State Bank & Trust, successor by merger to Colorado State Bank & Trust, N.A., Vectra Bank, Colorado Business Bank, any other Lender from time to time party to the Loan Agreement (as defined below) or permitted assigns of any such lender pursuant to the Loan Agreement, at the principal office of U.S. Bank National Association, as Administrative Agent for the Lenders (the "**Administrative Agent**") in Denver, Colorado or such other place as the Administrative Agent may from time to time designate in writing, the principal sum of _____ (US \$ _____) pursuant to the terms of the Loan Agreement dated as of June 8, 2011 (as amended or supplemented from time to time referred to herein as the "**Loan Agreement**") by and among Maker, Centerra Metropolitan District Nos. 2-5, financial institutions party thereto from time to time and the Administrative Agent, in lawful money of the United States of America. Unless and until otherwise designated in writing by Administrative Agent to Maker, all payments hereunder shall be made to the Administrative Agent for the account of the Lenders in accordance with the Loan Agreement.

This Promissory Note (this "**Note**") is a special limited revenue obligation of the Maker payable solely from the Pledged Revenue and Provider Termination Payments, if any, subject to the limitations set forth in the Loan Agreement.

Amounts received by the Administrative Agent under this Note shall be applied in the manner provided by the Loan Agreement. This Note shall bear interest, be payable, mature, be subject to prepayment prior to maturity and be enforceable pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

The Administrative Agent shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Advance made from time to time under the Loan Agreement and the amounts of principal and interest payable and paid from time to time under the Loan Agreement. In any legal action or proceeding in respect of any Advance or the Note, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

This Note is governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Note will not affect any other provision.

Pursuant to Section 11-57-210 of the Colorado Revised Statutes, as amended, this Note is entered into pursuant to and under the authority of certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value. In addition, such recital shall conclusively impart full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever after delivery for value.

By acceptance of this instrument, Payee agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Loan contained herein, in the resolution of the Maker authorizing the Loan and in the Service Plan for the creation of the Maker.

THE PROVISIONS OF THIS NOTE MAY BE AMENDED OR REVISED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY MAKER AND PAYEE. THERE ARE NO ORAL AGREEMENTS BETWEEN MAKER AND PAYEE WITH RESPECT TO THE SUBJECT MATTER HEREOF.

IN WITNESS WHEREOF, an authorized representative of CENTERRA METROPOLITAN DISTRICT NO. 1, as Maker, has executed this Promissory Note as of the day and year first above written.

[SEAL]

CENTERRA METROPOLITAN DISTRICT NO. 1,
in the City of Loveland, Larimer County, Colorado

By _____
President

Attest:

By _____
Secretary

EXHIBIT B

PRO RATA SHARES

Lender	Committed Loan Amount	Pro Rata Share	Initial Funded Loan Amount	Drawn Down Committed Loan Amount
BBVA Compass	\$ 56,631,127.47	43.256284350%	\$ 52,305,499.04	\$ 4,325,628.44
U.S. Bank	31,147,120.11	23.790956393%	28,768,024.47	2,379,095.64
Colorado State Bank & Trust	17,949,613.39	13.710367700%	16,578,576.62	1,371,036.77
Vectra Bank	13,865,913.53	10.591134687%	12,806,800.06	1,059,113.47
Colorado Business Bank	11,326,225.49	8.651256870%	10,461,099.81	865,125.69
Total Commitments	\$130,920,000.00	100%	\$ 120,920,000.00	\$ 10,000,000.00

EXHIBIT C

PRINCIPAL REPAYMENT SCHEDULE

Date	Principal Payment Due
12/01/11	\$ 2,550,000
12/01/12	2,650,000
12/01/13	2,800,000
12/01/14	3,220,000
12/01/15	3,495,000
06/08/16	116,205,000
Total	\$130,920,000

EXHIBIT D

FORM OF ASSIGNMENT AGREEMENT

This Assignment Agreement (this "**Assignment Agreement**") is entered into as of _____ by and between the Assignor named on the signature page hereto ("**Assignor**") and the Assignee named on the signature page hereto ("**Assignee**"). Reference is made to the Loan Agreement dated as of June 8, 2011 (as amended or otherwise modified from time to time, the "**Loan Agreement**") among by and among Centerra Metropolitan District No. 1 (the "**Borrower**"), Centerra Metropolitan District Nos. 2-5, the financial institutions party thereto from time to time and U.S. Bank National Association, as the Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Loan Agreement.

Assignor and Assignee agree as follows:

1. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor the interests set forth on the schedule attached hereto, in and to Assignor's rights and obligations under the Loan Agreement and the other Financing Documents as of the Effective Date (as defined below). Such purchase and sale is made without recourse, representation or warranty except as expressly set forth herein.

2. Assignor (i) represents that as of the Effective Date, that it is the legal and beneficial owner of the interests assigned hereunder free and clear of any adverse claim, (ii) makes no other representation or warranty and assumes no responsibility with respect to any statement, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any Financing Documents or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any District or any other Person or the performance or observance by any District of its Obligations under the Loan Agreement or the Financing Documents or any other instrument or document furnished pursuant thereto.

3. Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment Agreement; (ii) confirms that it has received a copy of the Loan Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (iii) agrees that it will, independently and without reliance upon Administrative Agent, Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (iv) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender; (vi) represents that on the date of this Assignment

Agreement it is not presently aware of any facts that would cause it to make a claim under the Loan Agreement; and (vii) if organized under the laws of a jurisdiction outside the United States, attaches the forms prescribed by the Internal Revenue Service of the United States, which have been duly executed, certifying as to Assignee's exemption from United States withholding taxes with respect to all payments to be made to Assignee under the Loan Agreement or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty.

4. The effective date for this Assignment Agreement shall be as set forth on the schedule attached hereto (the "**Effective Date**"). Following the execution of this Assignment Agreement, it will be delivered to Administrative Agent for acceptance and recording by Administrative Agent pursuant to the Loan Agreement.

5. Upon such acceptance and recording, from and after the Effective Date, (i) Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment Agreement, have the rights and obligations of a Lender thereunder and (ii) Assignor shall, to the extent provided in this Assignment Agreement, relinquish its rights (other than indemnification rights) and be released from its obligations under the Loan Agreement.

6. Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, fees and other amounts) to Assignee. Assignor and Assignee shall make all appropriate adjustments in payments for periods prior to the Effective Date by Administrative Agent or with respect to the making of this assignment directly between themselves.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF COLORADO, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

8. This Assignment Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Assignment Agreement. Receipt by telecopy of any executed signature page to this Assignment Agreement shall constitute effective delivery of such signature page.

The parties hereto have caused this Assignment Agreement to be executed and delivered as of the date first written above.

ASSIGNOR:

By: _____
Title: _____

ASSIGNEE:

By: _____
Title: _____

Consented to:

*[U.S. Bank National Association,
as Administrative Agent*

*By: _____
Title: _____]*

[Centerra Metropolitan District No. 1, as Borrower]

*By: _____
Title: _____]*

Schedule to Assignment Agreement

Assignor: _____

Assignee: _____

Effective Date: _____

Loan Agreement dated as of June 8, 2011 among by and among Centerra
Metropolitan District No. 1, Centerra Metropolitan District Nos. 2-5, the
financial institutions party thereto from time to time and U.S. Bank National
Association, as the Administrative Agent

Interests Assigned:

Assignor Amounts	\$
Amounts Assigned	\$
Assignee Amounts (post-assignment)	\$

Assignee Information:

Address for Notices:

Attention: _____
Telephone: _____
Telecopy: _____

Address for Payments:

Bank: _____
ABA #: _____
Account #: _____
Reference: _____

EXHIBIT E
FORM OF ADVANCE REQUEST

ADVANCE REQUEST

Date _____

[Address to each Lender]

Ladies and Gentlemen:

Reference is made to that certain Loan Agreement dated as of June 8, 2011 (as amended or otherwise modified from time to time, the "**Loan Agreement**") among by and among Centerra Metropolitan District No. 1 (the "**Borrower**"), Centerra Metropolitan District Nos. 2-5, the financial institutions party thereto from time to time and U.S. Bank National Association, as the Administrative Agent. All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Pursuant to Section 3.02(b) of the Loan Agreement, the Borrower hereby requests that the Lenders disburse an Advance in the principal amount of \$_____ for the account of the Borrower at the following account: [insert wire instructions]

The foregoing principal amount of the Advance was calculated in accordance with Addendum I attached hereto.

Attached hereto is the Preliminary Certified Assessed Valuation of each Public Entity (as defined in the Master Financing Agreement) and the most recently certified Total Mill Levy (as defined in the Master Financing Agreement) applicable to such Preliminary Certified Assessed Valuation.

The Borrower hereby represents and warrants to the Lenders and the Administrative Agent that (i) all of the representations and warranties made by the Borrower in the Loan Agreement and the other Financing Documents are true and correct in all material respects on as of the date hereof as if made on and as of the date hereof (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date) and (ii) no Default or Event of Default has occurred and is continuing.

Each Other District hereby and warrants to the Lenders and the Administrative Agent that (i) all of the representations and warranties made by such Other Lender in the Loan Agreement and the other Financing Documents are true and correct in all material respects on as of the date hereof as if made on and as of the date hereof (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date) and (ii) no Default or Event of Default has occurred and is continuing.

CENTERRA METROPOLITAN DISTRICT
NO. 1

By _____
Authorized Person

CENTERRA METROPOLITAN DISTRICT
NO. 2

By _____
Authorized Person

CENTERRA METROPOLITAN DISTRICT
NO. 3

By _____
Authorized Person

CENTERRA METROPOLITAN DISTRICT
NO. 4

By _____
Authorized Person

CENTERRA METROPOLITAN DISTRICT
NO. 5

By _____
Authorized Person

ADDENDUM I

Advance Request Calculation
Date: August _____

Maximum TIF Revenue

[A] Preliminary Certified Assessed Valuation \$ _____
[B] Total Mill Levy [Excludes District 2 & 3 Mill Levies] _____
[C] Maximum District Mill Levy [District 2 & 3] _____ 72
[D] Total Combined Mill Levy [B + C] (Not to exceed 180 Mills) _____
[E] Maximum TIF Revenue [A x D] \$ _____

Plus: [Sum of the following collected during the 12-month period
preceding the Dated Date hereof]

[F] PIF Revenue \$ _____
[G] Specific Ownership Tax Revenues \$ _____
[H] Investment Income \$ _____
[I] Total Pledged Revenue [E + F + G + H] \$ _____

Less: [Sum of the following paid during the 12-month period
preceding the Dated Date hereof]

School Increment \$ _____
Flex URA Residential Rebate \$ _____
Exclusion Rebate \$ _____
District Operating Expenses \$ _____
LURA Administrative Fee \$ _____
County Collection Fee \$ _____
[J] Total

Adjusted TIF Revenue [E + G + H - J] \$ _____
Adjusted Net Pledged Revenue [I - J] \$ _____

Required Holdback [TIF and PIF Formula]

Committed Loan Amount \$ 130,920,000

Less:

Adjusted Net Pledged Revenue $\div 1.55 \div \$10,065,000 \times \$130,920,000$ \$ _____
[K] Required Holdback \$ _____

Advance [TIF and PIF Formula]

Draw Down Committed Loan Amount \$ 10,000,000

Less:

Required Holdback [K] \$ _____

Sum of prior Advances	\$ _____
[L] Advance [TIF and PIF Formula]	\$ _____

Required Holdback [TIF Only Formula]

Committed Loan Amount	\$ <u>130,920,000</u>
-----------------------	-----------------------

Less:

Adjusted Net Pledged Revenue $\div 1.30 \div \$10,065,000 \times \$130,920,000$	\$ _____
---	----------

[M] Required Holdback	\$ _____
-----------------------	----------

Advance [TIF Only Formula]

Draw Down Committed Loan Amount	\$ <u>10,000,000</u>
---------------------------------	----------------------

Less:

Required Holdback [M]	\$ _____
-----------------------	----------

Sum of prior Advances	\$ _____
-----------------------	----------

[N] Advance [TIF Only Formula]	\$ _____
--------------------------------	----------

Eligible Advance [Lesser of L or N from above]	\$ _____
--	----------

EXHIBIT F

FORM OF ANNUAL COMPLIANCE CERTIFICATE

ANNUAL COMPLIANCE CERTIFICATE

For the Fiscal Year Ended _____

Centerra Metropolitan District No. 1, a quasi-municipal corporation and a political subdivision duly organized and existing under the constitution and the laws of the State of Colorado (the "**Borrower**"), as required by Section 5.01(e) of the Loan Agreement, dated as of June 8, 2011 (as amended or otherwise modified from time to time, the "**Loan Agreement**," to which reference is made for the definition of capitalized terms not otherwise defined herein), by and among the Borrower, Centerra Metropolitan District Nos. 2-5, the financial institutions party thereto from time to time and U.S. Bank National Association, as the Administrative Agent, which Borrower, acting by and through its Board, hereby states and certifies to the Lenders, as of the date hereof, that:

(a) *Authorization.* The Borrower's Board of Directors has consulted with its attorneys, accountants, managers and any other advisors with applicable knowledge and/or expertise to familiarize itself with the facts herein and at a duly held meeting of the Board authorized its President to execute this certificate on behalf of the District.

(b) *Financial Statements.* Attached hereto is a true and correct copy of the balance sheet of the Borrower as of the end of the Fiscal Year ended _____, and the related statements of operations and fund balances and cash flows for such Fiscal Year end, prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by an Independent Accountant selected by the Borrower and satisfactory to the Administrative Agent.

(c) *Compliance with Financial Covenants.*

☐ the Borrower is in compliance with the financial covenants set forth in Sections 5.01(i), 5.01(n), 5.01(o), 5.02(b) and 5.02(g) of the Loan Agreement; or

☐ the Borrower is not in compliance with the financial covenants set forth in Sections 5.01(i), 5.01(n), 5.01(o), 5.02(b) and 5.02(g) of the Loan Agreement, in the following circumstances:

[Include description of circumstances and the Borrower's remedial actions]

(d) *No Default or Event of Default.*

☐ no Default or Event of Default has occurred and is continuing; or

[] a Default or Event of Default has occurred and is continuing, under the following circumstances, and the Borrower is taking or proposes to take the following steps with respect thereto:

[Include description of circumstances and the Borrower's remedial actions.]

Dated: _____

CENTERRA METROPOLITAN DISTRICT
NO. 1

By: _____
Name: _____
Title: _____

EXHIBIT G

FORM OF QUARTERLY COMPLIANCE CERTIFICATE

QUARTERLY COMPLIANCE CERTIFICATE

Dated _____

For the Quarter Ended _____

The undersigned, on behalf of the Centerra Metropolitan District No. 1 (the "**Borrower**"), a quasi-municipal corporation and a political subdivision duly organized and existing under the constitution and the laws of the State of Colorado, as required by Section 5.01(e) of the Loan Agreement, dated as of June 8, 2011 (as amended or otherwise modified from time to time, the "**Loan Agreement**," to which reference is made for the definition of capitalized terms not otherwise defined herein), by and among the Borrower, Centerra Metropolitan District Nos. 2-5, the financial institutions party thereto from time to time and U.S. Bank National Association, as the Administrative Agent, which Borrower, acting by and through its Board of Directors, hereby state and certify to the Lenders, as of the date hereof, that:

(a) *Authorization.* The Borrower's Board of Directors has consulted with its attorneys, accountants, managers and any other advisors with applicable knowledge and/or expertise to familiarize themselves with the facts herein and at a duly held meeting of the Board authorized the President to execute this certificate on behalf of the Borrower.

(b) *Pledged Revenues.* The amount of actual Pledged Revenues received by the Custodian during the last fiscal quarter and during the period beginning the first day the Fiscal Year through the last day of the last fiscal quarter is as follows:

	Fiscal Quarter Ended	Year to Date
TIF Revenues		
PIF Revenue		
Residential Contribution		
Specific Ownership Tax Revenues		
Total Pledged Revenue		

(c) *Compliance with Financial Covenants.*

- ☐ the Borrower is in compliance with the financial covenants set forth in Sections 4.01, 5.01(i), 5.01(n), 5.01(o), 5.02(b) and 5.02(g) of the Loan Agreement; or
- ☐ the Borrower is not in compliance with the financial covenants set forth in Sections 4.01, 5.01(i), 5.01(n), 5.01(o), 5.02(b) and 5.02(g) of the Loan Agreement, in the following circumstances:

[Include description of circumstances and the Borrower's remedial actions]

(e) *No Default or Event of Default.*

[] no Default or Event of Default has occurred and is continuing; or

[] a Default or Event of Default has occurred and is continuing, under the following circumstances, and the Borrower is taking or proposes to take the following steps with respect thereto:

[Include description of circumstances and the Borrower's remedial actions]

Dated: _____

CENTERRA METROPOLITAN DISTRICT
NO. 1

By: _____

Name: _____

Title: _____

EXHIBIT H
BALLOT QUESTIONS

[Attached on next page]

NO. 09

OFFICIAL BALLOT FOR CENTERRA METROPOLITAN DISTRICT NO. 1, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO

May 4, 2004
Date of Election

/s/ Douglas Hill
Facsimile of Signature of the Designated Election Official of the District

WARNING

Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

1-7.5-107(3)(b), C.R.S.

This may not be your only ballot. Other elections may be held by other political subdivision by mail or by polling place. Refer to the ballot instructions for complete information on voting. Review your ballot. Be sure you have voted on every office and issue.

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.
1-5-407(2), C.R.S.

BALLOT QUESTION A:

FOR THE DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 1

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2006, IF CENTERRA METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE TWO OF THE NAMES BELOW).

Kim Perry	
Dean Barber	

BALLOT QUESTION B:

FOR THE DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 1

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2008, IF CENTERRA METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE THREE OF THE NAMES BELOW).

Douglas Hill	
Daniel Herlihey	

BALLOT ISSUE A:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY, TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, ENTRANCE FACILITIES AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE

ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE B:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS AND SIGNAGE, STRIPING, ACCESS GATES AND ENTRY MONUMENTATION, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL

LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE C:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION SYSTEMS AND PUMPING FACILITIES, WELLS, WATER TREATMENT, HYDRANTS, WATER RIGHTS, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE

SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE D:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, LIFT STATIONS, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, RELATED DISPOSAL WORKS AND FACILITIES AND SOLID WASTE DISPOSAL FACILITIES OR WASTE SERVICES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME

TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE E:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, PLAYGROUNDS, PLAYFIELDS, BIKE PATHS AND PEDESTRIAN AND EQUESTRIAN TRAILS, PICNIC AREAS, OPEN SPACE, GRADING, SOIL PREPARATION, LANDSCAPING AND WEED CONTROL, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, OUTDOOR LIGHTING OF ALL TYPES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT

FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE F:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY

WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE G:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT

FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE H:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE

PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE I:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$350,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$2,030,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$50,750,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$50,750,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES FOR THE PROTECTION OF FIRE, INCLUDING BUT NOT LIMITED TO FIRE STATIONS, FIRE TRUCKS, FIRE PROTECTION AND FIRE FIGHTING EQUIPMENT, AMBULANCES AND AMBULANCE STATIONS, EMERGENCY MEDICAL RESPONSE AND RESCUE AND DIVING AND GRAPPLING STATIONS, SUCH AMBULANCE, MEDICAL AND RESCUE EQUIPMENT AS ARE DEEMED NECESSARY FOR FIRE FIGHTING, FIRE SUPPRESSION AND EMERGENCY MEDICAL SERVICES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN

RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE J:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$50,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$290,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$7,250,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$7,250,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING MANAGEMENT SERVICES CONTRACTS AND OTHER CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING OR OTHERWISE PROVIDING THE SYSTEMS, OPERATIONS, ADMINISTRATION, FACILITIES, AND IMPROVEMENTS OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 AND CENTERRA METROPOLITAN DISTRICT NO. 4 FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH SUCH DISTRICTS WERE ORGANIZED, TOGETHER WITH ALL NECESSARY INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED

OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE K:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED UP TO \$700,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,060,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$101,500,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$101,500,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, BUT NOT IN EXCESS OF A NET EFFECTIVE INTEREST RATE OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR

SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE L:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$7,250,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$7,250,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT'S INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN 2004 AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES: _____
NO: _____

BALLOT ISSUE M:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$700,000,000, WITH A REPAYMENT COST NOT TO EXCEED \$2,900,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$72,500,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$72,500,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF

THE STATE, INCLUDING CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 AND CENTERRA METROPOLITAN DISTRICT NO. 4, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, FIRE PROTECTION, PARK AND RECREATION, MOSQUITO AND PEST CONTROL AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACTUAL OBLIGATIONS TO BE WITHOUT LIMIT AS TO TERM; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE N:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$500,000,000, WITH A REPAYMENT COST NOT TO EXCEED \$2,900,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$72,500,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$72,500,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF THE STATE, INCLUDING THE CITY OF LOVELAND, COLORADO AND LOVELAND URBAN RENEWAL AUTHORITY, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL

OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, ANY PUBLIC IMPROVEMENT, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE ADMINISTRATION, OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACTUAL OBLIGATIONS TO BE WITHOUT LIMIT AS TO TERM; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE O:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$400,000,000, WITH A REPAYMENT COST NOT TO EXCEED \$2,320,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$58,000,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$58,000,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF A REIMBURSEMENT AGREEMENT WITH ONE OR MORE PRIVATE ENTITIES, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF REIMBURSEMENT TO SUCH ENTITY OR ENTITIES FOR ADVANCES MADE TO THE DISTRICT FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING,

CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, FIRE PROTECTION, MOSQUITO AND PEST CONTROL AND SANITATION FACILITIES AND IMPROVEMENTS, INCLUDING OPERATION AND MAINTENANCE COSTS OF CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 AND CENTERRA METROPOLITAN DISTRICT NO. 4, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACTUAL OBLIGATIONS TO BE WITHOUT LIMIT AS TO TERM; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONIES OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE P:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$50,000,000, WITH A REPAYMENT COST NOT TO EXCEED \$290,000,000, AND SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED UP TO \$7,250,000 ANNUALLY (OR SUCH HIGHER AMOUNT AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF \$7,250,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF REVENUE BONDS OR NOTES OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PROVIDING FOR CERTAIN MANAGEMENT SERVICES RELATED TO THE DESIGNING, ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING, COMPLETING, OPERATING, MAINTAINING, MANAGING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, DISTRICT

FACILITIES, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSE WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER INTEREST RATE; SUCH DEBT TO INCLUDE MANAGEMENT AGREEMENTS BETWEEN THE DISTRICT AND OTHER PARTIES; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT, CENTERRA METROPOLITAN DISTRICT NO. 2, CENTERRA METROPOLITAN DISTRICT NO. 3 OR CENTERRA METROPOLITAN DISTRICT NO. 4 PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, REVENUES RECEIVED FROM LOVELAND URBAN RENEWAL AUTHORITY OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE PROVIDED IN THE DISTRICT'S SERVICE PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND WITH SUCH ADDITIONAL LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, AND, SUBJECT TO SUCH LIMIT, IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE Q:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$20,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE R:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE AMOUNT OF ALL TAXES, TAP FEES, SYSTEM DEVELOPMENT FEES, RENTAL INCOME, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS, PUBLIC IMPROVEMENT FEES, OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT AND ANY OTHER REVENUES, INCOME, OR PAYMENTS RECEIVED BY THE DISTRICT (INCLUDING, WITHOUT LIMITATION, REVENUES RECEIVED BY THE DISTRICT FROM THE STATE, ANY POLITICAL SUBDIVISION OF THE STATE, OR ANY OTHER GOVERNMENTAL ENTITY), DURING FISCAL YEAR 2004 AND EACH YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS THEY CURRENTLY EXIST OR AS THEY MAY BE AMENDED IN THE FUTURE?

YES: _____
NO: _____

BALLOT QUESTION C:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO EXERCISE THE POWER TO ESTABLISH, MAINTAIN, AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, AND MAY THE DISTRICT CONTRACT TO UNDERTAKE SUCH ACTIVITIES?

YES: _____
NO: _____

BALLOT QUESTION D:

SHALL CENTERRA METROPOLITAN DISTRICT NO. 1 BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: _____
NO: _____

BALLOT QUESTION E:

SHALL MEMBERS OF THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO SERVE WITHOUT LIMITATION ON THEIR TERMS OF OFFICE PURSUANT TO THE RIGHT GRANTED TO THE VOTERS OF THE DISTRICT IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION TO LENGTHEN, SHORTEN, OR ELIMINATE THE LIMITATIONS ON THE TERMS OF OFFICE IMPOSED BY SUCH SECTION?

YES: _____
NO: _____

**EXHIBIT I
ADDRESSES**

Districts:	Centerra Metropolitan District Nos. 1, 2, 3, 4 and 5 c/o McWhinney 2725 Rocky Mountain Avenue, Suite 200 Loveland, Colorado 80538 Attention: Josh Kane Tel: (970) 776-4032 Fax: (970) 635-3003
Administrative Agent:	U.S. Bank National Association 918 17 th Street, 2 nd Floor Denver, Colorado 80202 Attention: Jason Edrington Tel: (303) 585-4873 Fax: (303) 585-4242
Compass Bank:	BBVA Compass 999 18th Street, Suite 2800 Denver, Colorado 80202 Attention: Matt Chorske Tel: (303) 217-2235 Fax: (303) 217-2260
Vectra Bank:	Vectra Bank 2000 S. Colorado Blvd. Suite 2-1200 Denver, CO 80222 Attn: Conrad Freeman Tel: (720) 947-8802 Fax: (720) 947-7752
BOKF, N.A. d/b/a Colorado State Bank & Trust, successor by Merger to Colorado State Bank & Trust, N.A.:	BOKF, N.A. d/b/a Colorado State Bank & Trust, successor by merger to Colorado State Bank & Trust, N.A. 1600 Broadway, 4 th Floor Denver, CO 80202 Attn: Kristen M. Sundin Tel: (303) 863-4446 Fax: (303) 863-4463
Colorado Business Bank:	Colorado Business Bank 821 17 th Street Denver, CO 80202 Attn: Tim David Tel: (303) 312-3440 Fax: (303) 298-4431

FIRST AMENDED AND RESTATED

COLLECTION AGREEMENT

DATED AND EFFECTIVE AS OF JANUARY 1, 2012

RELATING TO PIF REVENUES AND RSF REVENUES

IN THE CENTERRA RETAIL DEVELOPMENT

THIS FIRST AMENDED AND RESTATED COLLECTION AGREEMENT dated as of November 1, 2011, is entered into by and among **CENTERRA METROPOLITAN DISTRICT NO. 1** (the "**Service District**"), a special district formed pursuant to Colorado Revised Statutes §32-1-101 *et seq.*, the **CITY OF LOVELAND, COLORADO** (the "**City**"), a municipal corporation and political subdivision duly organized and existing as a home rule city under the provisions of Article XX of the Constitution and the laws of the State of Colorado and the home rule Charter of the City, Centerra Public Improvement Collection Corporation, a Colorado nonprofit corporation (the "**PIC**"), **G&I VI RETAIL PROM, LLC**, a Delaware limited liability company ("**Retail Prom**"), and the Centerra Retail Sales Fee Corporation, a Colorado nonprofit corporation ("**Centerra RSF Corp.**").

All capitalized terms used herein, unless otherwise defined herein, will have the meanings ascribed to them in **Exhibit A** attached to this Collection Agreement, or if not otherwise defined herein, as set forth in the Indenture.

BACKGROUND

A. Centerra Properties West, LLC, a Colorado limited liability company; the City of Loveland, Colorado, a Colorado municipal corporation; the Loveland Urban Renewal Authority, a body corporate and politic; the Service District; the PIC; and The Centerra Public Improvement Development Corporation, a Colorado non-profit corporation are parties to that certain Centerra Master Financing and Intergovernmental Agreement dated as of January 20, 2004 (the "**MFA**", and sometimes referred to as the "**MF&I Agreement**") concerning the development of certain real property generally known as "Centerra" (the "**Development**" or "**Centerra**") and located in Loveland, Colorado, and pertaining to, among other matters, the imposition and collection of a Public Improvement Fee. Pursuant to the MFA, the PIC is responsible for the collection and disbursement of the Public Improvement Fee.

B. Reference is made to the following documents recorded as indicated, in the real property records of Larimer County, Colorado: (i) Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee (together with the amendments described herein and any subsequent amendments, the "**PIF Covenant**") recorded in the Larimer County Clerk and Recorder's Office on July 6, 2004 at Reception No. 2004-0067081; (ii) First Amendment to the PIF Covenant, recorded in the Larimer County Clerk and Recorder's Office on February 12, 2009 at Reception No. 20090008199 (the "**First PIF Amendment**"); (iii) Minor Modification to the First PIF Amendment, recorded in the Larimer County Clerk and Recorder's Office on February 12, 2009 at Reception No. 20090008201 (the "**Minor Modification**") (the property encumbered by the PIF Covenant, the First PIF Amendment, and the Minor Modification is more particularly described on **Exhibit B** hereto, the "**PIF Property**"), which PIF Covenant concerns the collection of a Public Improvement Fee or PIF (defined herein); (iv) Declaration of Covenants Imposing and Implementing the Centerra Retail Sales Fee (together with the amendments described herein and any subsequent amendments, the "**Centerra RSF Covenant**") recorded in the Larimer County Clerk and Recorder's Office on July 6, 2004 at Reception No. 2004-0067082; (v) First Amendment to Centerra RSF Covenant, recorded in the Larimer County Clerk and Recorder's Office on December 23, 2005 at Reception No. 2005-

0109627 (the “**First Centerra RSF Amendment**”); (vi) Second Amendment to Centerra RSF Covenant, recorded in the Larimer County Clerk and Recorder’s Office on March 6, 2008 at Reception No. 20080014232 (the “**Second Centerra RSF Amendment**”) (the property encumbered by the Centerra RSF Covenant, the First Centerra RSF Amendment, and the Second Centerra RSF Amendment is more particularly described on **Exhibit C** hereto, the “**Centerra RSF Property**”), which Centerra RSF Covenant concerns the collection of a Retail Sales Fee or Centerra RSF (defined herein); and (vii) Declaration of Covenants Imposing and Implementing the Lifestyle Retail Sales Fee (the “**Lifestyle RSF Covenant**”), recorded in the Larimer County Clerk and Recorder’s Office on August 27, 2004 at Reception No. 2004-0084619 (the property encumbered by the Lifestyle RSF Covenant is more particularly described on **Exhibit D** hereto, the “**Lifestyle RSF Property**”), which Lifestyle RSF Covenant concerns the collection of a Retail Sales Fee or Lifestyle RSF (defined herein). The above-described covenants, together with all amendments thereto, are referred to collectively herein as the “**Covenants**.”

C. Pursuant to the Covenants, the PIC (with respect to the Public Improvement Fee), Centerra RSF Corp. (with respect to the Centerra RSF) and Retail Prom (with respect to the Lifestyle RSF) are authorized to contract with a third-party, including but not limited to the City, to serve as “Designated Receiving Entity” thereunder and provide for the collection of the PIF Revenues, Centerra RSF Revenues and Lifestyle RSF Revenues, respectively.

D. The Service District is a Title 32 special district organized pursuant to the laws of the State of Colorado in order to construct, provide, operate and maintain certain public improvements and other services for itself and Centerra Metropolitan District Nos. 2, 3 and 4 (collectively, the “**Districts**”) in accordance with a Consolidated Service Plan, as amended, including, without limitation, streets and other roadway improvements, public parking facilities, water and drainage facilities, traffic controls, television relay, mosquito control, fire protection, park and recreation facilities, and other improvements necessary for Centerra (the “**Projects**”).

E. The Service District, as contemplated by the MFA, has previously issued District Bonds secured by certain revenues, including PIF Revenues, and plans to issue additional District Bonds in the future secured on a basis on parity with or subordinate to the District Bonds outstanding as of the effective date of this Agreement.

F. The Declarants under the Covenants have entered into Assignments of Revenues by Declarants (the “**Assignments**”), pursuant to which the Declarants have irrevocably assigned all their rights, if any, in and to the PIF Revenues, the Centerra RSF Revenues and the Lifestyle RSF Revenues to the PIC, the Centerra RSF Corp. and Retail Prom (as a successor in interest), respectively.

G. McWhinney Centerra Lifestyle Center LLC, a Delaware limited liability company, was an original party to the Collection Agreement, described in Recital L, below. McWhinney Centerra Lifestyle Center LLC subsequently designated Centerra Lifestyle LLC, a Delaware limited liability company (“Centerra Lifestyle LLC”) as the “Primary RSF Recipient” under the Lifestyle Covenant and assigned all of its right, title and interest in and to the Lifestyle RSF pursuant to that certain Designation of Primary RSF Recipient and Assignment of RSF Revenues dated October 22, 2004. Such interest was subsequently acquired by CLC REO, LLC,

a Delaware limited liability company ("CLC REO") pursuant to a Uniform Commercial Code public sale conducted on July 26, 2010, and transferred by CLC REO to G&I VI Promenade, LLC, a Delaware limited liability company pursuant to that certain Designation of Primary RSF Recipient and Assignment of RSF Revenues dated and effective December 17, 2010, and by G&I VI Promenade, LLC to Retail Prom pursuant to that certain Designation of Primary Recipient and Assignment of RSF Revenues dated and effective February 1, 2011.

H. Pursuant to the District Bond Documents, and as required by the MFA, the PIC has pledged and granted a lien and security interest in, and (subject to certain exceptions) all of its rights and interest in the PIF Revenues to holders of the District Bonds and certain swap providers.

I. It is clearly intended and understood by the parties hereto that (i) the nature of the PIF and the RSF is that of fees imposed for the benefit of the parties entitled thereto under private contract and not through the exercise of any City taxing authority, (ii) neither the PIF Revenues nor the RSF Revenues are tax revenues in any form, (iii) the PIF Revenues and the RSF Revenues are the property of the parties described in the related Covenant or assignees, designees, or successors thereof, (iv) the authority of the City, as "Designated Receiving Entity" under the PIF Covenant and RSF Covenants, to receive the PIF Revenues and the RSF Revenues is derived through this Collection Agreement, the Covenants, as applicable, and the Leases and (v) pursuant to the Covenants, each Centerra Retailer is required to execute a Waiver of Confidentiality with respect to (a) information contained in the reports submitted to the Designated Receiving Entity (initially, the City) by such Centerra Retailers and (b) their books and records related thereto.

J. Notwithstanding anything to the contrary herein or any other document related to the Projects and any other public improvements related to the Development, the parties hereto acknowledge and agree that, except as such entities may be entitled to such revenues in accordance with the Covenants or any contractual assignment of revenues related thereto, (i) the Declarants under the Covenants have no dominion or control over the PIF Revenues or the RSF Revenues, (ii) to the extent any PIF Revenue or RSF Revenue is collected by a Declarant, such Declarant is acting solely as an agent for and on behalf of the parties hereto entitled to such PIF Revenue or RSF Revenue, respectively, (iii) the PIF and the RSF are fees imposed on the Centerra Retailers to finance costs permitted by the PIF Covenant and RSF Covenants, respectively.

K. THE DISTRICT BONDS DO NOT CONSTITUTE OBLIGATIONS, DEBT OR INDEBTEDNESS OR MULTIPLE FISCAL YEAR OBLIGATIONS OF THE CITY AND DO NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. NEITHER THE CITY NOR THE DECLARANTS UNDER THE COVENANTS NOR ANY OF THEIR AFFILIATES HAS ANY OBLIGATION WHATSOEVER TO PAY THE PRINCIPAL OF AND/OR INTEREST ON THE DISTRICT BONDS.

L. This First Amended and Restated Collection Agreement is intended to supersede, in all respects, that certain Collection Agreement among the parties dated as of September 1, 2004 and the First Amendment to Collection Agreement dated March 19, 2008.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the City, the Service District, the PIC, Retail Prom and Centerra RSF Corp. agree as follows:

ARTICLE 1

NATURE, IMPOSITION, REDUCTION AND TERMINATION OF FEES

Section 1.01 Nature and Imposition of the Fees Generally.

(a) The Lifestyle RSF, the Centerra RSF and the PIF are not taxes in any form and any rights therein are the result of contractual agreement only, including but not limited to the PIF Covenant and the RSF Covenants, as applicable, and not the exercise of the taxing power of any governmental entity, including the City.

(b) The Lifestyle RSF, the Centerra RSF and the PIF shall be imposed upon and collected from each Centerra Retailer and become due and payable as provided in the applicable Covenants, the Leases, and this Collection Agreement.

(c) PIF and RSF shall be calculated and imposed on all PIF Sales and RSF Sales, respectively, at the rates stated in the applicable Covenant, respectively, prior to the calculation and assessment of any Sales Tax, and before any other State, county, municipal or other sales taxes required to be imposed by law. All Sales Tax and sales taxes of other taxing entities shall be calculated and assessed on the sum of the sales price plus the amount of the PIF and the applicable RSF.

Section 1.02 Calculation of, Adjustments to, and Termination of PIF

(a) Notification of Changes to Sales Tax Credit and Calculation of PIF. Pursuant to the terms of the PIF Covenant, the PIF shall be determined by multiplying the amount of each PIF Sale by 1.25%; provided however that such rate may be reduced upon written notice thereof by the PIC, subject to consent of the City and subject to the District Bond Documents. The PIC shall be responsible for providing notice of any reduction or termination of the PIF, in addition to the Sales Tax Credit, to Centerra Retailers in accordance with the provisions of the PIF Covenant and the District Bond Documents, and shall cause such notice to be recorded in the real property records of Larimer County, Colorado.

(b) Adjustments to PIF Sales.

(i) Pursuant to the terms of the PIF Covenant, PIF Sales shall exclude any sales transactions specified by the PIC, with the consent of the City, as exempt from the

Public Improvement Fee from time to time, subject to the provisions of the District Bond Documents.

(ii) Pursuant to the terms of the PIF Covenant, any proposed exclusion from PIF Sales must be approved by the PIC and the City, and, for so long as the District Bonds are outstanding, must comply with the District Bond Documents. Upon approval by the PIC and the City of an exclusion from PIF Sales, not later than 30 days prior to the effective date of the approved exclusion from PIF Sales (which date shall be determined by the PIC), the PIC shall provide notice thereof to all Centerra Retailers, Retail Prom, Centerra RSF Corp., and the City, and shall cause such notice to be recorded in the real property records of Larimer County, Colorado.

Section 1.03 Calculation, Reduction and Termination of RSF.

(a) Imposition, Reduction and Termination of RSF. Pursuant to the terms of the Lifestyle RSF Covenant and the Centerra RSF Covenant, the Lifestyle RSF and the Centerra RSF each shall be determined by multiplying the amount of each Lifestyle or Centerra RSF Sale, respectively, by 1.00%; provided however that such rate may be reduced, or the imposition of the RSF may be terminated, upon written notice thereof by Retail Prom or by Centerra RSF Corp., respectively. Retail Prom and Centerra RSF Corp. hereby agree to provide written notice of any planned reduction, subsequent increase (up to 1.00%) or termination of the Lifestyle RSF or Centerra RSF, respectively, to the City and each affected Centerra Retailer no later than 30 days prior to the effective date of such reduction, increase, or termination. Retail Prom and Centerra RSF Corp. hereby acknowledge that failure to do so will result in the inability of the City to implement such reduction, increase or termination in accordance with the terms hereof, and agree that the City will not be held responsible for any loss of revenues or other adverse effects of such failure. To the extent required by the Lifestyle RSF Covenant or the Centerra RSF Covenant, as applicable, Retail Prom and Centerra RSF Corp. shall cause notice of any such reduction, increase or termination to be recorded in the real property records of Larimer County, Colorado.

(b) Exclusions from RSF Sales. Pursuant to the terms of the Lifestyle RSF Covenant and the Centerra RSF Covenant, transactions may be excluded from Lifestyle RSF Sales or Centerra RSF Sales upon notice of the Retail Prom or Centerra RSF Corp., respectively. Notwithstanding the foregoing, in order to facilitate efficient and effective collection and enforcement procedures, as provided herein, the parties acknowledge their desire, where possible, to cause PIF Sales, Centerra RSF Sales and Lifestyle RSF Sales to be identical at all times, except with respect to the exclusion from Centerra and Lifestyle RSF Sales of automobile sales. Neither Retail Prom nor Centerra RSF Corp. shall cause or permit exclusions to be made from Lifestyle RSF Sales or Centerra RSF Sales other than in accordance with the provisions hereof and in accordance with the provisions of the Lifestyle RSF Covenant and Centerra RSF Covenant, respectively.

Section 1.04 Survival of Agreements Among Certain Parties. Unless expressly provided in writing and consented to by the Trustee (if required by the District Bond Documents so long as

any District Bonds remain outstanding), the PIC, the Retail Prom, and the Centerra RSF Corp., the provisions of this Article 1 shall survive the termination of the City's obligation to receive and remit all or any portion of the Revenues pursuant to this Collection Agreement and, in the event of such termination or appointment of a successor collection entity or otherwise, references in this Article 1 to the City shall be deemed to refer to any successor collection entity charged with receiving the Revenues.

ARTICLE 2 COLLECTION PROCEDURES

Section 2.01 Appointment of City as PIF and RSF Designated Receiving Entity.

(a) The City is hereby appointed as the initial Designated Receiving Entity under the Covenants by: (i) the PIC and the Service District, each as a beneficiary of a portion of the PIF Revenues; (ii) Retail Prom, as a beneficiary of the Lifestyle RSF Revenues; and (iii) Centerra RSF Corp. as a beneficiary of the Centerra RSF Revenues. The City is appointed as the initial Designated Receiving Entity under the Covenants for the purpose of receiving all Revenues from all Centerra Retailers. By the execution of this Collection Agreement, the City accepts the responsibility of receiving the Revenues remitted to the City by the Centerra Retailers and depositing the same in accordance with the provisions hereof. **THE CITY IS NOT THE AGENT OF ANY PARTY TO THIS COLLECTION AGREEMENT AND HAS ONLY THOSE RESPONSIBILITIES EXPRESSLY STATED HEREIN. THE OBLIGATIONS OF THE CITY UNDER THIS COLLECTION AGREEMENT SHALL NOT CONSTITUTE A MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE CITY AND THE PAYMENTS OF ANY COSTS OF THE CITY INCURRED OR TO BE INCURRED IN PERFORMING ITS OBLIGATIONS HEREUNDER SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY COUNCIL.**

(b) The City's obligations with respect to collection of the Revenues hereunder may be terminated, or the City may resign from such position, in accordance with the provisions of Section 3.03 hereof.

Section 2.02 Provision of Information to Centerra Retailers.

(a) The City shall prepare, in consultation with the PIC, Centerra RSF Corp., and Retail Prom, two Information Booklets: one for use by Centerra Retailers operating in the Centerra RSF Property (the "**Centerra Information Booklet**"), and one for use by Centerra Retailers operating in the Lifestyle RSF Property (the "**Lifestyle Information Booklet**"). These booklets shall be made available in electronic form on the City's website. The City shall provide each Centerra Retailer notice of the location at which an electronic copy of the applicable Information Booklet regarding the imposition of the PIF and the RSF and collection of the Revenues, consistent with the provisions of this Collection Agreement, is available prior to the "soft opening" of a Centerra Retailer's store of which the City has been notified and at such times as changes have been made to the applicable Information Booklet

(b) In addition, the City shall provide Centerra Retailers with appropriate supplies of the reporting forms attached as **Exhibit E** hereto, as applicable, as well as procedures and other instructions concerning the collection and remittance of Revenues, developed in consultation with the PIC, Centerra RSF Corp. and Retail Prom.

(c) The costs of preparation of the Information Booklet, reporting forms, procedures and other instructions shall be paid as set forth in Section 2.08.

(d) In the event that the City proposes to change such Information Booklet, reporting forms, procedures or other instructions, such changes shall be submitted to the PIC, Centerra RSF Corp., and Retail Prom and, following the prior written approval of the PIC, Centerra RSF Corp. and Retail Prom (which approval shall not be unreasonably withheld), shall be distributed to all Centerra Retailers no less than 45 days prior to the implementation thereof.

(e) Without limiting the generality of the foregoing, the City shall notify Centerra Retailers of any procedures that the Centerra Retailers should follow with respect to notifying customers concerning the PIF or RSF, as such procedures are developed by the City in consultation with the PIC, Centerra RSF Corp. and Retail Prom, consistent with the provisions of this Collection Agreement, and so as to comply with all applicable laws and reasonable business practices.

(f) For purposes of determining the Centerra Retailers to receive information and notices from the City in accordance with the provision hereof, the City shall rely on the information received by it in connection with Centerra Retailers' application for Sales Tax licenses, information acquired from business establishment visits and any other auditing function required to be performed by the City pursuant to Section 2.06 hereof, information received by the City in response to requests made pursuant to Section 2.07(d) hereof, and any information provided to the City by the parties hereto.

Section 2.03 Collection of Revenues.

(a) The City agrees that, in order to facilitate the collection, reporting and auditing procedures required herein, it shall cause the computer software used in the City's collection of its Sales Tax to geographically code Centerra Retailers as within the Centerra RSF Area or the Lifestyle RSF Area.

(b) Not later than the 20th day of the first month following the end of each Collection Month (as evidenced by postmark), Centerra Retailers shall remit collected Revenues for the preceding Collection Month to the City by means of a check or wire transfer payable to: (i) the PIC, in the case of PIF Revenues; (ii) Centerra RSF Corp., in the case of Centerra RSF Revenues; and (iii) Retail Prom, in the case of Lifestyle RSF Revenues, together with the appropriate reporting forms substantially similar to those set forth in **Exhibit E** hereto, as the same may be modified from time to time, in accordance with procedures to be provided by the City to the Centerra Retailers consistent with Section 2.03 hereof. Upon receipt thereof, such Revenues shall be remitted by the City in accordance with Section 2.04 hereof. Such reporting

forms shall be retained on file with the City pursuant to the City's then existing record retention policy and made available to the Report Recipients for the related Revenues in accordance with Section 2.03(c) hereof. Such Revenues shall be payable by Centerra Retailers and collected by the City monthly regardless of the frequency of any such Centerra Retailers' payment of City Sales Tax.

(c) The City also shall receive from the Centerra Retailers, on or before the 20th day of the month following the close of each Collection Month (as evidenced by postmark), such reports, returns and other documents as are delivered by Centerra Retailers pursuant to the terms of the PIF Covenant, the RSF Covenants and the Leases, which shall include the reports provided by such Centerra Retailer to the City in connection with the remittance of City sales taxes for such Collection Month, and any other documentation required pursuant to the terms of the PIF Covenant, the RSF Covenants and the Leases. Upon reasonable request of any Report Recipient (other than those described in subparagraphs (iii) and (iv) of the definition thereof), the City shall make copies of such reports, returns and other documents it receives available to the requesting party at the expense of such party.

(d) Not later than the 5th day (or the next succeeding Business Day) of the second month following the close of a Collection Month, the City shall send a First Delinquency Notice (subject to subparagraph (e) hereof) to any Centerra Retailer failing to remit PIF Revenues or RSF Revenues during the preceding month and any Centerra Retailer which has remitted what the City believes (which belief may be based solely upon the City's comparison of such Centerra Retailer's sales report to its remittance) to be an incorrect amount of PIF Revenues or RSF Revenues during the preceding month. The City shall prepare and send separate First Delinquency Notices with respect to delinquent PIF Revenues, delinquent Lifestyle RSF Revenues, and delinquent Centerra RSF Revenues, which Notices shall be substantially similar to the forms set forth in **Exhibit F** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom. The City shall send copies of all such First Delinquency Notices to the Report Recipients (other than, those described in subparagraphs (iii) and (iv) of the definition thereof) for the related Revenues.

(e) Not later than the 25th day (or the next succeeding Business Day) of the second month following the close of a Collection Month, the City shall send a Second Delinquency Notice to any Centerra Retailer which has failed to pay any PIF Revenues or RSF Revenues due and noticed in a previously distributed First Delinquency Notice. The City shall prepare and send separate Second Delinquency Notices with respect to delinquent PIF Revenues, delinquent Lifestyle RSF Revenues, and delinquent Centerra RSF Revenues, which Notices shall be substantially similar to the forms set forth in **Exhibit F** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom. The City shall send copies of all such Second Delinquency Notices to: (i) the PIC, the Trustee, the Service District, and the Centerra Owners, if relating to delinquent PIF Revenues; (ii) Centerra RSF Corp. and the Centerra Owners, if relating to Centerra RSF; and (iii) the Retail Prom and the Centerra Owners, if relating to delinquent Lifestyle RSF Revenues.

(f) Subject to the provisions of this subparagraph (f), the City shall continue its collection efforts, following the sending of the Second Delinquency Notice, in the same manner

in which the City attempts to collect delinquent Sales Tax. Once the City collects any delinquent Sales Tax from a Centerra Retailer, the City will cease its efforts to collect delinquent PIF or RSF Revenues from such Centerra Retailer, and will turn over all relevant information with regard to the delinquent PIF Revenues or RSF Revenues to the PIC, Centerra RSF Corp., or Retail Prom, as applicable. If a Centerra Retailer who has received First and Second Delinquency Notices relating to PIF Revenues or RSF Revenues due in a particular month is still delinquent following receipt of a Second Delinquency Notice, default interest shall automatically accrue on the PIF Revenues or RSF Revenues, as applicable, as set forth in the Second Delinquency Notice, and will continue to accrue until all delinquent PIF Revenues or RSF Revenues, together with interest and late charges are paid in full.

(g) In addition to the notices described above, the City shall, if requested by a Centerra Owner, the PIC, the Service District, the Trustee, Centerra RSF Corp. or Retail Prom, send a written notice to any Centerra Retailer that such requesting entity believes has not fully complied with its obligations with respect to the PIF or the RSF, specifying the nature and extent of such Centerra Retailer's non-compliance and requesting that such Centerra Retailer remedy its non-compliance. The entity requesting such notice shall provide the City with information sufficient to enable the City to prepare and send any such notices. The City shall also provide such notice to a Centerra Retailer if the City has actual knowledge of a violation of the PIF Covenant or RSF Covenants or guidelines and procedures related thereto, including information obtained as a result of City visits to the business establishments as required by Section 2.06(g) hereof. Such notices shall be in a form substantially similar to the form set forth in **Exhibit G** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. The City and any requesting party shall provide a copy of all such communications to the Report Recipients.

(h) It is the intent of the parties hereto that all adjustments, including but not limited to refunds, additions, or other modifications to PIF Revenues or RSF Revenues due from the Centerra Retailers, shall be processed in a manner substantially similar to the process used and required by the City for any appropriate adjustments to Sales Tax. If any subsequent adjustments, additions, or modifications are made to any PIF Revenues or RSF Revenues remitted or paid, or report made, by a Centerra Retailer to the City, that Centerra Retailer shall provide the City with true and complete copies of all revised reports or other written material issued or received by a Centerra Retailer in regard thereto. If any such adjustment increases the amount of PIF Revenues or RSF Revenues which the Centerra Retailer is required to remit or pay, or results in a refund of a PIF Revenues or RSF Revenues overpayment, the Centerra Retailer shall immediately pay such additional PIF Revenues or RSF Revenues in the amount due, or shall receive an appropriate credit against the next PIF Revenues or RSF Revenues due from that Centerra Retailer in the amount of such PIF Revenues or RSF Revenues overpayment. The Centerra Retailer shall claim such credits and/or pay such additional PIF Revenues or RSF Revenues in the next monthly reporting period by use of the standard reporting and remittance forms. All reports made or provided by Centerra Retailers shall be maintained by the respective Centerra Retailers for at least three years from the date of submission thereof to the City and, upon written request, shall be made available to the Report Recipients (other than those described in subparagraphs (iii) and (iv) of the definition thereof).

Section 2.04 Remittance of Revenues by the City. PIF Revenues and RSF Revenues received by the City, in the form of checks or wire transfers payable to the PIC, Centerra RSF Corp. or Retail Prom, shall be disbursed, without deduction for collection costs, by the end of business on the next business day following receipt thereof by the City, as follows:

(a) Checks or wire transfers representing PIF Revenues payable to the PIC shall be deposited by the City into an account of a Loveland, Colorado bank designated by the PIC, in accordance with the District Bond Documents, for so long as the District Bonds are outstanding. The funds in such account shall be applied as described in the applicable District Bond Documents.

(b) Checks or wire transfers representing Centerra RSF Revenues payable to Centerra RSF Corp. shall be deposited by the City into an account of a Loveland, Colorado bank designated by Centerra RSF Corp., the funds in which account shall be under the control of the Centerra RSF Corp..

(c) Checks or wire transfers representing Lifestyle RSF Revenues payable to Retail Prom shall be deposited by the City into an account of a Loveland, Colorado bank designated by, Retail Prom, the funds in which account shall be under the control of Retail Prom.

The PIC, Centerra RSF Corp. and Retail Prom shall cooperate with the City to facilitate such deposits in an efficient manner.

The PIC, Centerra RSF Corp. and Retail Prom may each change the Loveland, Colorado bank to receive the PIF Revenues, Centerra RSF Revenues or Lifestyle RSF Revenues, respectively, in accordance with the foregoing provisions upon 30 days prior written notice to the City. The City shall not be responsible for the payment of fees owing to any such bank receiving PIF Revenues, Centerra RSF Revenues or Lifestyle RSF Revenues.

The PIC, Centerra RSF Corp. and Retail Prom are entitled to receive the PIF Revenues, Centerra RSF Revenues and Lifestyle RSF Revenues, respectively, and apply the same to any lawful purpose as each, in its sole discretion, may determine, subject to the restrictions on use set forth in the applicable Covenants and, with respect to the PIF Revenues, the MFA and the District Bond Documents.

Section 2.05. Enforcement

(a) Upon receipt of any First Delinquency Notice from the City, the PIC (if relating to delinquent PIF Revenues), Centerra RSF Corp. (if relating to delinquent Centerra RSF Revenues), or Retail Prom (if relating to Lifestyle RSF Revenues) shall take all commercially reasonable action necessary to effect a direct cause of action and exercise its full right and authority to enforce the available remedies with respect to a breach by a Centerra Retailer of its obligations imposed by the applicable Covenant, including, if such party deems it appropriate to do so, exercising their rights under the applicable Covenant to require assistance from the Centerra Owner having a Lease with a Centerra Retailer who is the subject of such a Notice. Any such party shall take commercially reasonable efforts to complete collection of delinquent

Revenues, reports, returns and other documents not later than the end of the 5th month following the Collection Month. In the event that any party obligated to do so hereunder fails to diligently pursue legal action to collect delinquent Revenues, the Enforcing Parties with respect to the related delinquent Revenues are authorized to pursue such action. Notwithstanding any of the foregoing, the City has no obligation to pursue such action.

(b) In the event that any party hereto other than the City receives or otherwise possesses any Revenues, including any penalties related thereto (except as a result of an authorized disbursement from the City in accordance with the terms hereof), inadvertently, through efforts to collect delinquent Revenues, the parties hereto hereby agree that each shall hold such funds in trust as an agent for the parties entitled thereto hereunder and under the Covenants, Assignments and District Bond Documents and shall remit to the City, immediately and without demand, all such sums so received or otherwise in its possession, after deduction of any reasonable costs incurred in connection therewith, together with a statement indicating the Centerra Retailer and Collection Month to which such amounts relate and any collection costs deducted. The City shall remit the same to the parties entitled thereto in accordance with Section 2.04 hereof. To the extent that any party hereto does not deduct from such remittance its reasonable costs associated with collecting delinquent Revenues, such party may submit a statement for such amounts as Collection Costs as follows: (i) if related solely to the Lifestyle RSF Revenues, to Retail Prom ; (ii) if related solely to the collection of delinquent Centerra RSF Revenues, to Centerra RSF Corp.; (iii) if related solely to the collection of delinquent PIF Revenues, to the PIC, or entity designated by the PIC (which may include the Trustee); and (iv) if related to the collection of both delinquent RSF Revenues and delinquent PIF Revenues, such Collection Costs shall be divided in half and submitted to the PIC (or entity designated by the PIC) and to the Retail Prom or Centerra RSF Corp., as applicable. Any Collection Costs to be paid by the Service District hereunder shall be payable solely to the extent moneys are available therefore pursuant to the terms of the District Bond Documents.

Section 2.06 Reporting and Auditing.

(a) Subject to subparagraph (c) hereof, the City shall prepare and deliver to the Report Recipients for the related Revenues, on or as soon as practicable after the 15th day of the second calendar month following the close of a Collection Month, a report (i) describing the amount of Reported Taxed Sales and the amount of Sales reported by each Centerra Retailer and the amount of Revenues received by the City from each Centerra Retailer since the date of the immediately preceding report, and (ii) describing the amount of Revenues received by the City since the date of the last report representing delinquent Revenues (including any penalties related thereto) and the Centerra Retailers and Collection Month(s) to which such delinquent Revenues (and penalties, if any) are attributable. The reports described herein shall be separate with respect to PIF Revenues, Centerra RSF Revenues and Lifestyle RSF Revenues and shall be substantially similar to the forms set forth in **Exhibit H** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom.

(b) At reasonable times during regular business hours, the Report Recipients are hereby authorized to audit or cause audits to be conducted of the City's books and records with

respect to the City's receipt of the Revenues. If an audit uncovers a deficiency in deposits of Revenues which parties are entitled to in accordance with the terms hereof, and such deficiency results from misapplication of moneys by the City as a direct result of the City's willful and wanton conduct or gross negligence, the City shall pay within 60 days of notice of such misapplication the full amount of such misapplication to the party so entitled and, in the event such amount is not paid within such 60 day period, interest thereon shall accrue from the 60th day after such notice until paid, (subject to appropriation by the City Council), the rate of such interest to be equal to ½ of the prime rate published in the Wall Street Journal on the date of notice of such deficiency to the City (not to exceed 10%).

(c) The City shall not be obligated to provide any information or reports described in this Collection Agreement with respect to any particular Centerra Retailer until such time as the City has received with respect to such Centerra Retailer a fully-executed waiver in a form substantially similar to the forms set forth in **Exhibit I** hereto. Any reports or data concerning PIF Sales, RSF Sales, PIF Revenues, RSF Revenues or Reported Taxed Sales received by the Report Recipients will remain confidential, to the extent permitted or required by law, and be used only for purposes of collecting Revenues due, enforcing Centerra Retailers' obligations under the PIF Covenant, the RSF Covenants, or their respective Leases and otherwise monitoring compliance with the provisions thereof, except with respect to information provided to Dissemination Agents or Centerra Investors (defined below), and except for such disclosures or publications as may be required by applicable laws. Any information concerning Sales, Revenues or Reported Taxed Sales of Centerra Retailers to be provided hereunder to any Dissemination Agent or any Centerra Investor (as defined in subparagraph (d) hereof) shall be provided on an aggregated basis only with other Centerra Retailers in the same retail Center within Centerra or with all Centerra Retailers, without information specific to any particular Centerra Retailer.

(d) Subject to subparagraph (c) hereof, the City shall also provide any information which would otherwise, pursuant to the provisions of this Collection Agreement, be required to be provided to a Dissemination Agent, to any investor or potential investor in Centerra and its consultants, any mortgagee, prospective mortgagee, encumbrancer or purchaser of any part of Centerra (referred to herein as a "**Centerra Investor**"), upon reasonable request therefore by a Centerra Owner, the PIC, Retail Prom or Centerra RSF Corp..

(e) Upon reasonable request, the City agrees to provide the data to be provided in reports described in this Section 2.06 in electronic form to the extent reasonably available.

(f) The City shall visit the business establishments of all Centerra Retailers on a quarterly basis during the first year of operation to ensure compliance with guidelines and procedures relating to the PIF Revenues and RSF Revenues, including but not limited to customer notification of the PIF and RSF. If said establishment is in compliance for four consecutive quarters, the City will visit the establishment once in the subsequent year. In the event that an item of noncompliance is discovered, the City shall provide notice thereof in accordance with Section 2.03(g) hereof, and shall revisit such business establishment within 30 days to determine if such noncompliance has been corrected. The City will visit said

establishment for four consecutive quarters to assure continued compliance. If the noncompliance has not been corrected by such return visit, the City shall continue to revisit such business establishments quarterly and, if necessary, send additional notices of noncompliance, until such noncompliance is corrected. Non-compliance may also result in remedies stipulated in the PIF Covenant, the RSF Covenant, the Lifestyle RSF Covenant and any applicable lease and/or sales instruments. The City shall provide a written report to the Report Recipients in a form substantially similar to the forms set forth in **Exhibit G** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom, together with a copy of any such noncompliance notice sent to any Centerra Retailer, in the event that any noncompliance is discovered in any such visit. The PIC, Centerra RSF Corp. and Retail Prom shall, if requested by the City, assist in bringing Centerra Retailers into compliance with such guidelines and procedures.

(g) The City shall investigate each Centerra Retailer to ensure accurate collection and remittance of the PIF Revenues and RSF Revenues according to the following two-phased process:

1. Discovery. The City shall conduct discovery on twenty (20) Centerra Retailers annually. The Centerra Retailers to be subjected to the discovery process shall be selected by the PIC (six (6) total Centerra Retailers of which three (3) shall be located within the Centerra RSF Property and three (3) shall be located within the Lifestyle RSF Property), the Centerra RSF Corp. (seven (7) Centerra Retailers located within the Centerra RSF Property), and Retail Prom (seven (7) Centerra Retailers located within the Lifestyle RSF Property), and a list of such Centerra Retailers shall be provided to the City not later than November 30 of the year preceding the year in which the discovery is to be conducted. Discovery will consist of comparing reported sales to actual sales for the period that would be subject to audit, reviewing a reasonable sample of daily register transactions for inconsistencies in non-taxable and tax-exempt transactions. If the City does not find material discrepancies, the investigation will end at discovery. If, in doing so, the City determines that delinquent Revenues exist, City shall follow the procedures set forth in Section 2.03(e) hereof. The City shall provide a written report, no later than 30 days after the end of each calendar year to the Report Recipients indicating the identities of the Centerra Retailers subjected to discovery in the preceding calendar year and the results of any discovery indicating that a Centerra Retailer had underpaid PIF Revenues or RSF Revenues (provided that Dissemination Agents and Centerra Investors shall receive only aggregated information as described in subparagraph (c) above).
2. Audit. If the City determines, during the discovery process, that discrepancies exist with a particular Centerra Retailer's compliance with the collection of Revenues described herein, the City shall initiate phase 2 of the investigation, as described in this subparagraph 2.06(g)(2). The City will conduct up to five (5) audits per year of Centerra Retailers. The Centerra Retailers selected for audit shall be first recommended to the PIC, the Centerra RSF Corp., and

Retail Prom by the City, based on the results of the City's discovery process. Following such recommendation, the City, the PIC, the Centerra RSF Corp., and Retail Prom shall collectively agree on which Centerra Retailers are to be audited each year while this Agreement shall remain in effect. In the event that such parties fail to agree on the list of Centerra Retailers to be audited, the PIC, Centerra RSF Corp., and Retail Prom shall each be allowed to select one (1) Centerra Retailer from their respective Retailers for audit and the City shall be allowed to select two (2) Centerra Retailers for audit. As a part of such audit, the City shall compare the Reported Taxed Sales indicated on reports received by the City to PIF Sales and RSF Sales reported to the City and investigate any discrepancies in the reported amounts. Additional audits, over and above the five (5) annual audits contemplated in this subparagraph 2.06(g)(2), may be conducted upon the mutual agreement of the City, the PIC, the Centerra RSF Corp., and Retail Prom, subject to payment of the applicable hourly fees as set forth in **Exhibit J** hereto.

(h) The parties hereto acknowledge that varied reporting may be required in connection with the District Bonds. The City agrees to provide such additional reports as may be required by the District Bond Documents if reasonably feasible; provided that if such additional reports result in a material increase in time or materials to be supplied by the City, the fees set forth on **Exhibit J** hereto shall be adjusted, and any increased costs shall be borne exclusively by the Service District.

Section 2.07 Covenants of the Parties

(a) For the purpose of reasonably enforcing this Collection Agreement, and to the extent permitted by law, all books and documents in the possession of any party to this Collection Agreement relating to the collection or calculation of actual Revenues shall at all reasonable times be open to inspection by the other parties to this Collection Agreement or their designees, subject to applicable confidentiality restrictions, if any.

(b) No party hereto shall enter into any agreement amending any of the provisions relating to imposition of the PIF or RSF and payment of the Revenues contained in the Covenants or the Leases without the consent of the PIC, each Consent Party, and the City, if pertaining to the PIF Revenues, Centerra RSF Corp., if pertaining to the Centerra RSF Revenues, or Retail Prom, if pertaining to the Lifestyle RSF Revenues. Any such purported amendment or waiver shall be void and of no force and effect.

(c) The parties hereto shall at all times fully perform and comply with any agreements, covenants, terms and conditions imposed upon or assumed by them pertaining to the PIF or the RSF. If either the PIC or the City fails to do so, the Trustee, if authorized by the District Bond Documents, may give written notice of such failure to the parties hereto. If the identified failure is not corrected within ten (10) days of the receipt of any such written notice, the Trustee may (but is not obligated to), if authorized by the District Bond Documents, take any action the Trustee reasonably deems necessary or desirable to prevent or to cure any default by the PIC or the City in the performance of or compliance with any of either party's covenants or

obligations pertaining to such Revenues. If authorized by the District Bond Documents, the Trustee may (but is not obligated to) pay and expend such sums of moneys as the Trustee in its reasonable discretion deems necessary for this purpose.

(d) Pursuant to the Covenants, Centerra Owners are required to provide a listing of all Centerra Retailers that then occupy their Centerra Owned Property as provided in this subparagraph (d) and within ten business days of receipt of a written request therefore from the City. The City shall (i) upon learning of a new Centerra Owner, request such Centerra Owner to provide the name and address of any Centerra Retailer occupying property within the Development owned by such Centerra Owner within 30 days of execution of any such occupation agreement, and shall provide notice of any new Centerra Retailer to the Report Recipients on a periodic basis as agreed to with the PIC, the Centerra RSF Corp. and Retail Prom; (ii) upon a request thereof from any Bank Representative, the Trustee, the PIC, the Centerra RSF Corp. or Retail Prom, request a current listing of all Centerra Retailers then occupying Centerra Owned Property from Centerra Owners (to the extent then known by the City) on a periodic basis as requested by such Report Recipient and provide the resulting listings of Centerra Retailers to all Report Recipients. The parties hereto shall advise the City and all other parties hereto on or before the first day of each month of any new Centerra Owners and Centerra Retailers or change in Centerra Owners and Centerra Retailers of which such party has actual knowledge. Notwithstanding the foregoing, the City shall have primary responsibility for determining the identity of Centerra Retailers from time to time based on information received by it in connection with Centerra Retailers' application for Sales Tax licenses, reports received by Centerra Owners as provided herein and business establishment visits by the City as required by Section 2.06(f) hereof; provided, however, that the City shall not be responsible for any lost Revenues resulting from the failure to determine the identity of a Centerra Retailer and seek collection of Revenues therefrom if the City has made reasonable efforts to determine the identities of all Centerra Retailers as provided herein. The parties hereto shall exercise their rights under the Covenants to obtain from Centerra Owners such other information reasonably requested by the parties hereto to allow them to fulfill their respective obligations under this Collection Agreement.

(e) Pursuant to the Covenants, Centerra Retailers are required to provide to the City a waiver in a form substantially similar to the forms set forth in **Exhibit I** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom. The City shall only be responsible for providing the reports described herein with respect to those Centerra Retailers for which the City has received such a waiver.

(f) In the event any party to this Collection Agreement receives actual notice in writing with respect to any action in bankruptcy by a Centerra Retailer, such party shall as soon as practicable give written notice or convey copies of the written notice it received to the City and all Report Recipients.

(g) In the event that any party hereto receives or otherwise possesses any Revenues to which, pursuant to this Collection Agreement, another party is entitled, the parties hereto hereby agree that each shall hold such funds in trust as an agent for the parties entitled thereto hereunder and under the Covenants, Assignments and the District Bond Documents and shall remit to the

City, immediately and without demand, all such sums so received or otherwise in its possession, together with a statement indicating the source of such Revenues and, if applicable and known to such party, the Centerra Retailer and Collection Month to which such amounts relate. The City shall remit the same to the parties entitled thereto in accordance with Section 2.04 hereof.

Section 2.08 Fees and Reimbursable Expenses. In consideration of its performance of services hereunder, the City shall receive such fees and Reimbursable Expenses as are set forth on **Exhibit J** and as follows:

(a) Subject to subparagraph (b) hereof, the City shall receive, each calendar quarter in advance, in exchange for the services provided by it hereunder, 25% of the total fees and Reimbursable Expenses equal to the amount(s) set forth on **Exhibit J** hereto for any particular calendar year, subject to adjustment as provided in subparagraph (d) hereof. Subject to subparagraph (b) hereof, such fees and Reimbursable Expenses shall be payable on the first business day of each calendar quarter as follows: (i) 55% of the total amount of such fees and Reimbursable Expenses by the Service District, from funds available therefore in accordance with the terms of the District Bond Documents, which the Service District is hereby authorized by the PIC to pay; (ii) 31% of the total amount of such fees and Reimbursable Expenses by Retail Prom; and (iii) 14% of the total amount of such fees and Reimbursable Expenses by Centerra RSF Corp.; provided that such percentages of the total fee to be paid by each such party may be revised in accordance with a written agreement among the PIC, Retail Prom and Centerra RSF Corp., or their successors or assigns, in which event such parties shall only be obligated hereunder to pay to the City such revised percentages. No party shall be obligated to pay any portion of fees payable to the City in excess of the foregoing percentages attributable to such party (as the same may be revised). In the event that any party fails to pay its portion of fees to the City in accordance with the foregoing, the City shall continue to provide the services contemplated hereunder for the benefit of the remaining parties, unless the City has resigned with respect to such services in accordance with Section 3.03 hereof.

(b) Any time a new RSF and a new Primary Recipient for such new RSF is established, the distribution percentages for the payment of fees and Reimbursable Expenses set forth in subsection (a) above shall be reapportioned by the parties. At such time, the parties shall also have the opportunity to review and readjust the fees and Reimbursable Expenses set forth on **Exhibit J**,

(c) Extraordinary Reimbursable Expenses may only be incurred by the City after the receipt of written approval thereof by the PIC, Centerra RSF Corp. and Retail Prom. Upon receipt of such approval, Extraordinary Reimbursable Expenses shall be submitted and payable in the same manner as fees and Reimbursable Expenses set forth in subparagraph (a) hereof.

(d) The amount of the fees and Reimbursable Expenses set forth on **Exhibit J** shall be reviewed on or about June 1 of each year that this Agreement shall remain in effect, and adjustments to such fees and Reimbursable Expenses, by amount and type, may be made by the mutual written consent of all the parties hereto, provided that such adjustments are reasonable and based upon increases or decreases in actual costs of collection. Any such adjustments shall be effective on January 1 of the calendar year following the annual June 1 review.

Section 2.09 Authorization. The PIF Covenant and the RSF Covenants expressly authorize the PIC, Retail Prom and Centerra RSF Corp. to enter into a contract with the City, as a Designated Receiving Entity thereunder, pursuant to which such entity is authorized:

(a) to audit the books and records of the Centerra Retailers in determining compliance with the PIF and RSF collection and remittance obligations of Centerra Retailers under the PIF Covenant, RSF Covenants and Leases; and

(b) to release to the Report Recipients such audited information and any reports, returns and other documents as are delivered to the City by the Centerra Retailers and any relevant information gathered by the City during an audit or in reviewing such reports, returns or other documents.

ARTICLE 3 MISCELLANEOUS

Section 3.01 Beneficiaries Under Covenants and Leases. Notwithstanding the appointment of the City as the Designated Receiving Entity under the Covenants, the PIC, Centerra RSF Corp. and Retail Prom are the lawful recipients of the PIF Revenues, the Centerra RSF Revenues and the Lifestyle RSF Revenues, respectively, and, together with the Centerra Owners, are hereby and under the Covenants and Leases expressly made third party beneficiaries of the Centerra Retailers' obligations under the provisions relating to the payment of Revenues contained therein, including, but not limited to, the assessment, collection, and remittance of Revenues. Furthermore, for as long as the PIF Revenues are pledged to pay all or any portion of the District Bonds and any amounts are owed with respect to such District Bonds, any Bank and any other holder of the District Bond shall each be deemed a third party beneficiary under the Covenants and Leases of the Centerra Retailers' obligations under the provisions relating to the payment of the PIF Revenues contained therein, including, but not limited to, the assessment, collection, and remittance of PIF Revenues. Nothing in this Collection Agreement shall impair a Centerra Owner's right to enforce its rights against Centerra Retailers under the Leases.

Section 3.02 Sovereign Powers and Immunities of the City and the Service District. Nothing in this Collection Agreement shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the City or the Service District.

Section 3.03 Resignation; Removal; Assignment.

(a) The City may resign by written resignation given as provided in this Section 3.03 hereof to the other parties to this Collection Agreement and each Consent Party not less than 180 days before the date when such resignation is intended to take effect; provided, however, that the City may resign from its position as Designated Receiving Entity upon not less than 60 days' written notice given to the same parties before the date such resignation is intended to take effect in the event of nonpayment of any fees, Reimbursable Expenses and Extraordinary Reimbursable Expenses due and payable to the City hereunder. The City's resignation shall take place without

the appointment of a successor to its duties hereunder; provided, however, if no agreement is entered into by the PIC, Centerra RSF Corp., Retail Prom, and the Service District with a successor agent, the PIC and Service District (with respect to the PIF), the Centerra RSF Corp. (with respect to the Centerra RSF) and Retail Prom (with respect to the Lifestyle RSF) shall assume all obligations of the City hereunder prior to the effectiveness of the City's resignation, provided that, in such event, any of the aforementioned entities may engage an agent to carry out its respective duties hereunder. The City may be removed at any time, with 180 days prior written notice, with respect to its duties relating to all of the PIF and RSF Revenues, with mutual consent of the PIC, Service District, Centerra RSF Corp. and Retail Prom, and, with respect to the City's duties relating to the PIF with the consent of each Consent Party and compliance with all applicable provisions of the District Bond Documents, after payment of all outstanding fees and Reimbursable Expenses of the City, by an instrument appointing a successor to perform the City's duties hereunder, executed by the PIC, Service District, Centerra RSF Corp. and Retail Prom, and with respect to the City's duties relating to the PIF with the consent of each Consent Party. The City may also resign or be removed at any time, with 180 days prior written notice for any removal, with respect to its duties hereunder provided in connection with any one of the PIF Revenues (by the direction of the PIC with the consent of the Service District, the Trustee, and each Consent Party), the Lifestyle RSF Revenues (by the direction of Retail Prom) or Centerra RSF Revenues (by the direction of Centerra RSF Corp.). In such event, (i) the PIC (with the consent of the Service District, Trustee and each Consent Party), Retail Prom and Centerra RSF Corp. may each select separately a successor Designated Receiving Entity with respect to PIF Revenues, Lifestyle RSF Revenues and Centerra RSF Revenues, respectively, and (ii) the remaining parties shall pay their proportionate share of the fees and Reimbursable Expenses as set forth in Section 2.08(a) hereof. In the event that the City resigns or is removed as provided herein, the City agrees to provide, no later than 60 days after the notice of such resignation or removal, to the PIC, Centerra RSF Corp, Retail Prom, Service District, any Bank Representative, and the Trustee, an electronic copy of all data files relating to the collection of Revenues hereunder as well as all previously retained documentation relating to the collection of Revenues hereunder (provided such previously retained documentation remains within the custody of the City).

(b) This Collection Agreement may not be assigned by any party hereto for any reason other than to a successor by operation of law or with the prior written consent of the other parties to this Collection Agreement; provided, however, that each of the Retail Prom and Centerra RSF Corp. may assign its rights and obligations hereunder to a successor "Primary RSF Recipient" designated in accordance with the terms of the Centerra RSF Covenant or Lifestyle RSF Covenant, respectively; and further provided that the Service District and the PIC may assign any of their rights hereunder pursuant to the District Bond Documents without the prior consent of any party hereto.

Section 3.04 Continuation After Termination of PIF. The parties hereto acknowledge their current intent that the City continue to collect RSF Revenues following any termination in the collection of PIF Revenues; provided, however, that such acknowledgement shall in no manner alter the rights of any parties hereto with respect to resignation or removal of the City as provided in Section 3.03 hereof; further, it is anticipated that such continuation of collection

following termination of the PIF may require the renegotiation of fees and parties responsible for the payment thereof.

Section 3.05 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail return receipt requested, postage prepaid, or sent by a confirmed facsimile addressed as follows:

If to City: City of Loveland
ATTN: City Manager
500 East Third Street
Loveland, CO 80537
Fax: (970) 962-2900

With a copy to: City of Loveland
ATTN: City Attorney
500 East Third Street
Loveland, CO 80537
Fax: (970) 962-2900

If to
Retail Prom: G&I VI Promenade, LLC
c/o DRA Advisors, LLC
ATTN: Peter Janoff
220 E. 42nd St., 27th Floor
New York, NY 10017
Fax: (212) 697-7405

With a copy to: Blank Rome LLP
Attn: Martin Luskin
The Chrysler Building
405 Lexington Avenue
New York, NY 10174-0208
Fax: (917) 332-3714

If to the PIC: Centerra Public Improvement Collection
Corporation
ATTN: Jay Hardy, President
2725 Rocky Mountain Ave, Suite 200
Loveland, CO 80538
Fax: (970) 635-3003

With a copy to: Icenogle Seaver Pogue, P.C.
ATTN: Alan D. Pogue, Esq.

4725 S. Monaco St., Suite 225
Denver, CO 80237
Fax (303) 292-9101

If to
Centerra RSF Corp.:

Centerra Retail Sales Fee Corporation
ATTN: Josh Kane, President
2725 Rocky Mountain Ave, Suite 200
Loveland, CO 80538
Fax: (970) 635-3003

With a copy to:

Icenogle Seaver Pogue, P.C.
ATTN: Alan D. Pogue, Esq.
4725 S. Monaco St., Suite 225
Denver, CO 80237
Fax (303) 292-9101

If to
Service District:

Centerra Metropolitan District No. 1
ATTN: Peggy Dowswell
5110 Granite St., Suite C
Loveland, CO 80538
Fax (970) 669-3612

With a copy to:

Icenogle Seaver Pogue, P.C.
ATTN: Alan D. Pogue, Esq.
4725 S. Monaco St., Suite 225
Denver, CO 80237
Fax (303) 292-9101

Section 3.06 Third Party Beneficiaries of this Collection Agreement. It is expressly understood and agreed that enforcement of the terms and conditions of this Collection Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Report Recipients (excluding any Dissemination Agent), and with respect to the PIF, any Bank as well as the Report Recipients, the Enforcing Parties and their respective successors and assigns (including Centerra Investors), and nothing contained in this Collection Agreement shall give or allow any such claim or right of action by any other person with respect to this Collection Agreement.

Section 3.07 Binding Effect. This Collection Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. Notwithstanding anything herein to the contrary: (a) Centerra RSF Corp. and Retail Prom shall have no rights related to the PIF Revenues, including, without limitation, the calculation, collection, or payment thereof; (b) the PIC and Retail Prom shall have no rights related to the Centerra RSF Revenues, including, without limitation, the calculation, collection, or payment thereof; and (c) the PIC and

Centerra RSF Corp. shall have no rights related to the Lifestyle RSF Revenues, including, without limitation, the calculation, collection, or payment thereof. By means of example, neither Retail Prom nor Centerra RSF Corp. shall have any right to inspect the books and documents in possession of the other party under Section 2.07(a) hereof except to the extent that such books and documents are pertinent to the Lifestyle RSF Fees or the Centerra RSF Fees, respectively.

Section 3.08 Amendments. This Collection Agreement may only be amended, changed, modified or altered in writing signed by all parties hereto; provided, however, that:

- (a) Amendments hereto affecting only: (i) PIF Revenues may be affected without the consent of the Centerra RSF Corp. or Retail Prom, but with the consent of the PIC, the Service District, the Trustee, the City, and each Consent Party; (ii) Centerra RSF Revenues, may be affected without the consent of the PIC, the Service District or Retail Prom; and (iii) Lifestyle RSF Revenues, may be affected without the consent of the PIC, the Service District or the Centerra RSF Corp; and
- (b) Amendments to provide for collection of future retail sales fees may be made by the City and the property owner creating the new retail sales fee.

Section 3.09 Computation of Time. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is not a Business Day, the period is extended to include the next succeeding Business Day. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

Section 3.10 Payments Due on a Day other than a Business Day. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Collection Agreement, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Collection Agreement.

Section 3.11 Severability. In the event that any provision of this Collection Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.12 Execution in Counterparts. This Collection Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.13 Applicable Law and Venue. This Collection Agreement shall be governed by and construed in accordance with the laws of the State. In the event of any dispute arising out of this PIF Covenant, the courts of the State of Colorado shall have exclusive jurisdiction over such dispute and venue shall be in the Larimer County District Courts.

Section 3.14 Indemnification by PIC, Centerra RSF Corp. and Retail Prom. The PIC, Centerra RSF Corp. and Retail Prom each hereby agree to indemnify and defend the City and its officers and employees against all claims or suits, including but not limited to, those for damages to property and injuries to persons, including accidental death, related to this Collection Agreement; provided, however that neither the PIC, nor Centerra RSF Corp., nor Retail Prom shall be responsible for indemnifying or defending the City for such claims or suits resulting from the negligence of the City or its officers or employees, or in the event that the City is in breach under this Agreement, and provided further, however, that no portion of the PIF Revenue may be used to satisfy the indemnification obligations hereunder.

Section 3.15 No Indemnification by City. The City cannot and does not agree to indemnify, hold harmless or exonerate the Service District, the PIC, Retail Prom, Centerra RSF Corp., any Centerra Owner, or any other person for any purpose whatsoever.

Section 3.16 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Collection Agreement.

This Collection Agreement is entered into and executed by the respective parties hereto as of the day and year first above written.



CITY OF LOVELAND, COLORADO, a
Colorado municipal corporation

By: *William D. Cahill*
William D. Cahill, City Manager

ATTEST:

By: *Jeanne M. Weaver*
for Terry Andrews, City Clerk Deputy

APPROVED AS TO LEGAL FORM:

By: *J. Yost Schmidt*
Judith Yost Schmidt, Deputy City Attorney

**CENTERRA METROPOLITAN DISTRICT
NO. 1**

By: _____
Kim L. Perry, President

G&I VI RETAIL PROM, LLC, a Delaware
limited liability company

By: _____
David Luski, President

**CENTERRA RETAIL SALES FEE
CORPORATION**, a Colorado nonprofit
corporation

By: _____
Josh Kane, President

CITY OF LOVELAND, COLORADO, a
Colorado municipal corporation

By: _____
William D. Cahill, City Manager

ATTEST:

By: _____
Terry Andrews, City Clerk

APPROVED AS TO LEGAL FORM:

By: _____
Judith Yost Schmidt, Deputy City Attorney

**CENTERRA METROPOLITAN DISTRICT
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By: _____
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Josh Kane, President

CITY OF LOVELAND, COLORADO, a
Colorado municipal corporation

By: _____
William D. Cahill, City Manager

ATTEST:

By: _____
Terry Andrews, City Clerk

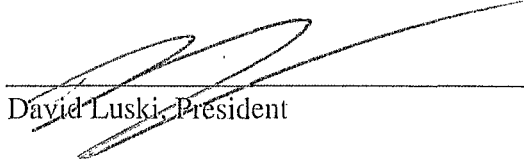
APPROVED AS TO LEGAL FORM:

By: _____
Judith Yost Schmidt, Deputy City Attorney

**CENTERRA METROPOLITAN DISTRICT
NO. 1**

By: _____
Kim L. Perry, President

G&I VI RETAIL PROM, LLC, a Delaware
limited liability company

By: _____
David Luski, President

**CENTERRA RETAIL SALES FEE
CORPORATION**, a Colorado nonprofit
corporation

By: _____
Josh Kane, President

**CENTERRA PUBLIC IMPROVEMENT
COLLECTION CORPORATION**, a Colorado
nonprofit corporation.

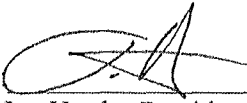
By  _____
Jay Hardy, President

EXHIBIT A DEFINITIONS

Set forth below is a compilation of defined terms used in this Collection Agreement. Any terms not specifically defined herein shall have the meanings assigned them in the Indenture.

"Bank" means any provider(s) of a letter(s) of credit or other means of credit enhancement securing payment of District Bonds and any one or more lending institutions making a direct loan or loans to the Service District, which loan or loans constitute a District Bond.

"Bank Representative" means, initially, U.S. Bank National Association in its capacity as the Administrative Agent pursuant to that certain Loan Agreement dated June 8, 2011 among the Service District, the other Districts party thereto, Compass Bank, U.S. Bank National Association and the other lenders from time to time parties thereto, as the same may be amended or supplemented from time to time, and its successor or assigns pursuant to said Loan Agreement. The term "Bank Representative" shall also include any other party authorized in any District Bond Document to receive information or take actions permitted or authorized to be received or taken by the Bank Representative hereunder.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in (i) the State, or (ii) the State of New York are authorized or required by law to close or (b) a day on which the New York Stock Exchange is closed.

"Centerra Owners" means any Person who owns fee title to: (i) any portion of the PIF Property, if relating to the PIF Revenues or PIF Covenant; (ii) any portion of the Centerra RSF Property, if relating to the Centerra RSF Revenues or Centerra RSF Covenant; and (iii) any portion of the Lifestyle RSF Property, if relating to the Lifestyle RSF Revenues or Lifestyle RSF Covenant, and any successors thereof

"Centerra Retailers" mean retail tenants and business establishments located or to be located within Centerra Project.

"Centerra RSF Corp." means Centerra Retail Sales Fee Corporation, or any successor or assignee thereof to the rights hereunder of Centerra Retail Sales Fee Corporation; provided that Centerra RSF Corp. shall provide notice of any such assignment to the City, the PIC and Retail Prom.

"Centerra RSF Covenant" means the Declaration of Covenants Imposing and Implementing the Centerra Retail Sales Fee recorded in the real property records of Larimer County, Colorado on July 6, 2004 at Reception No. 2004-0067082, as the same has been amended and may be amended in the future from time to time.

"Centerra RSF Recipient" means any entity so designated by Centerra RSF Corp. to receive all or any portion of the Centerra RSF Revenues; provided that Centerra RSF Corp. provides notice thereof to the City or any successor Designated Receiving Entity.

"*Centerra RSF Revenues*" means the revenues derived from the imposition of the Centerra RSF.

"*Centerra Retail Sales Fee*" or "*Centerra RSF*" means the retail sales fee required pursuant to the Leases and the Centerra RSF Covenant to be assessed by retail tenants and business establishments located or to be located within the Centerra RSF Property on all RSF Sales occurring within the Centerra RSF Property.

"*City*" means the City of Loveland, Colorado.

"*City Sales*" means retail sales transactions subject to the Sales Tax.

"*Collection Month*" means each calendar month in which the Revenues are collected by the Centerra Retailers.

"*Consent Party*" means any party who, under any District Bond Document, has a right to consent to an action taken or proposed to be taken under this Collection Agreement with respect to the PIF or the PIF Revenues.

"*Designated Receiving Entity*" means the entity designated to receive Revenues hereunder or any successor agreement relating to the collection of Revenues (initially, the City). In the event that, pursuant to the terms hereof, the Designated Receiving Entity is not the same for the PIF Revenues, the Centerra RSF Revenues and the Lifestyle Revenues, "Designated Receiving Entity" shall mean, with respect to the PIF Revenues, the Centerra RSF Revenues and the Lifestyle Revenues, the entities designated to received such Revenues by the PIC, Centerra RSF Corp. and Retail Prom, respectively.

"*Dissemination Agent*" means any entity charged with distributing information to purchasers of the District Bonds. In the event that other entities issue debt or obligations secured in whole or in part by any of the Revenues, "Dissemination Agent" shall also mean, with respect to the revenues securing such debt or obligations, any entity charged with distributing information to purchasers of such debt or obligations.

"*District Bond Documents*" means any bond, resolution, indenture, loan agreement, interest rate exchange agreement, reimbursement agreement or contract, pursuant to which the Service District incurs debt or other financial obligations, the repayment of which is secured, in whole or in part, by PIF Revenues, as contemplated by the MFA, and any other agreement pursuant to which the PIF Revenues are pledged to the repayment of the District Bonds.

"*District Bonds*" means the financial obligations of the Service District, which obligations may be in the form of bonds, notes, loan agreements, commercial paper, or other securities issued by the Service District pursuant to the provisions of the District Bond Documents, which are payable in whole or in part from the PIF Revenues and which payment is

secured by a pledge of and lien on, among other revenues, such PIF Revenues, including without limitation refunding bonds and variable rate bonds.

"Enforcing Parties" means (i) Declarants of the Centerra RSF Covenant, Centerra RSF Corp., and any other Centerra RSF Recipients, with respect to the Centerra RSF Revenues; (ii) Retail Prom and any other Lifestyle RSF Recipients, with respect to the Lifestyle RSF Revenues; and (iii) the PIC, the PID, the City, the Trustee, the Bank Representative, the Loveland Urban Renewal Authority, and the Service District, with respect to the PIF Revenues.

"Extraordinary Reimbursable Expenses" means any Reimbursable Expenses in excess of the amounts set forth on **Exhibit J** hereto reasonably incurred when performing extraordinary services under this Collection Agreement (for example, reasonable expenses incurred by the City in assisting in the receipt of delinquent Revenues).

"First Delinquency Notice" means a written notice sent by first class mail providing the following (to the extent applicable): (A) the Centerra Retailer has failed to remit Revenues during the preceding month; (B) the Centerra Retailer has remitted an incorrect amount of Revenues (C) requesting immediate payment of delinquent Revenues or any shortfall in Revenues; (D) advising that if the City does not receive such amounts by the 15th of the month (as evidenced by postmark), a late fee in the amount of the greater of 10% of the delinquent Revenues or \$15 will be owed and default interest will be imposed at the rate of 1% per month (the "Default Rate") commencing on the 20th day of the first month following the close of the Collection Month. Such notice shall be substantially similar to the form set forth in **Exhibit F** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom.

"Information Booklets" means, collectively, the Centerra Information Booklet and the Lifestyle Information Booklet, as described in Section 2.02(a), as such Information Booklets may be changed from time to time in accordance with the provisions hereof.

"Leases" means the leases entered into or to be entered into by Centerra Owners with retail tenants and business establishments located or to be located within the PIF Property (including the Lifestyle RSF Property and the Centerra RSF Property). The term *"Leases"* shall also include any occupancy agreement, licenses, sales contracts or similar arrangements under which a Person may become a Centerra Retailer.

"Lifestyle RSF Covenant" means the Declaration of Covenants Imposing and Implementing the Lifestyle Retail Sales Fee recorded in the real property records of Larimer County, Colorado, as the same may be amended from time to time.

"Lifestyle RSF Recipient" means any entity so designated by Retail Prom to receive all or any portion of the Lifestyle RSF Revenues; provided that Retail Prom provides notice thereof to the City or any successor Designated Receiving Entity.

"Lifestyle RSF Revenues" means the revenues derived from the imposition of the Lifestyle RSF.

"Lifestyle Retail Sales Fee" or *"Lifestyle RSF"* means the retail sales fee required pursuant to the Leases and the Lifestyle RSF Covenant to be assessed by retail tenants and business establishments located or to be located within the Lifestyle RSF Property on all RSF Sales occurring within the Lifestyle RSF Property.

"Person(s)" means an individual, firm, corporation, partnership, company, limited liability company, association, joint stock company, trust, body politic or any other unincorporated organization or any trustee, receiver, assignee, or other similar representative thereof.

"Public Improvement Fee" or *"PIF"* means the public improvement fee required pursuant to the Leases and the PIF Covenant to be assessed by retail tenants and business establishments located or to be located within the PIF Property on all PIF Sales occurring within the PIF Property.

"PIF Covenant" means the Declaration of Covenants Imposing and Implementing the Centerra Public Improvements Fee Centerra recorded in the real property records of Larimer County, Colorado on July 6, 2004 at Reception No. 2004-0067081, as the same has been amended and may be amended in the future from time to time.

"PIF Revenues" means the revenues derived from the imposition of the PIF.

"PIF Sales" shall mean and refer to any and all retail sales transactions by any Centerra Retailer of personal property initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the PIF Property which are on the date of recording of this Covenant subject to a retail Sales Tax pursuant to the Sales Tax Ordinances, plus any and all retail sales transactions by any Centerra Retailer of personal property initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the PIF Property which are from time to time in the future subject to a retail Sales Tax pursuant to the Sales Tax Ordinances, less any sales transactions specified by the PIC, with the consent of the City, as exempt from the Public Improvement Fee from time to time. Notwithstanding any of the foregoing, "PIF Sales" shall at no time include internet sales made from internet terminals in the business establishment of a Centerra Retailer within any portion of the PIF Property or catalog sales placed by telephone from the business establishment of a Centerra Retailer within any portion of the PIF Property.

"Reimbursable Expenses" means those reasonable expenses incurred by the City in the performance of its obligations under this PIF Collection Agreement, including, but not limited to, expenses relating to computer equipment, programming, software, licensing, Internet access, office supplies, including paper, pencils, notebooks, office equipment, including file cabinets, printers/copier costs, other expenses, including but not limited to postage, personal auto mileage, travel, legal fees, training, vendor education, printing, staff salaries and proportionate benefits.

"Reported Taxed Sales" means, for any period specified herein, net taxable sales (meaning the total of amount of sales less sales not subject to the Sales Tax) occurring from or within the Centerra in such period, based on monthly reports received by the City from Centerra Retailers.

"Report Recipients" mean: (i) (a) the City, the Districts, the Trustee, the Bank Representative, the PID, CPW and the PIC, if relating to the PIF Revenues or PIF Covenant; (b) Centerra RSF Corp., any Centerra RSF Recipient and any trustee for bonds secured by Centerra RSF Revenues, if relating to the Centerra RSF Revenues or Centerra RSF Covenant; and (c) Retail Prom and any Lifestyle RSF Recipient if relating to the Lifestyle RSF Revenues or Lifestyle RSF Covenant; (ii) with respect to the specific information of any particular Centerra Retailer, the Centerra Owner or Centerra Occupant leasing, subleasing or otherwise granting rights to such Centerra Retailer to occupy such Centerra Owner's or Centerra Occupant's Owned/Leased Centerra PIF or RSF Property, (iii) any Dissemination Agent; and (iv) any investor or potential investor in Centerra and its consultants, any mortgagee, prospective mortgagee, encumbrancer or purchaser of any part of Centerra or a prospective purchaser of any interest in CPW.

"Retail Prom" means G&I VI Retail Prom, LLC, a Delaware limited liability company, and its successors and assigns.

"Revenues" means, collectively, the RSF Revenues and the PIF Revenues.

"RSF" means collectively the Centerra RSF and the Lifestyle RSF, and any additional RSF added to this Collection Agreement by amendment.

"RSF Covenants" means, collectively, the Centerra RSF Covenant and the Lifestyle RSF Covenant, together with any additional retail sales fee covenants that may be added to this Agreement by amendment.

"RSF Revenues" means, collectively, the Centerra RSF Revenues and the Lifestyle RSF Revenues, together with any revenues from any additional retail sales fee covenants that may be added to this Agreement by amendment.

"RSF Sales" means any and all retail sales transactions by any Centerra Retailer of personal property initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the RSF Property which are on the date of recording of any RSF Covenant subject to a retail Sales Tax pursuant to the Sales Tax Ordinances, plus any and all retail sales transactions by any Centerra Retailer of personal property initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the RSF Property which are from time to time in the future subject to a retail Sales Tax pursuant to the Sales Tax Ordinances, less any sales transactions specified by the Primary RSF Recipient as exempt from the Retail Sales Fee from time to time; provided, however, that RSF Sales shall not include any transaction relating to passenger vehicles, whether new or used (except that this exclusion does not apply to transactions relating to automotive parts). Notwithstanding any of the foregoing, "RSF Sales"

shall at no time include internet sales made from internet terminals in the business establishment of a Centerra Retailer within any portion of the RSF Property or catalog sales placed by telephone from the business establishment of a Centerra Retailer within any portion of the RSF Property. References in this definition to "RSF Property" shall mean, with respect to the imposition of the Centerra RSF, the Centerra RSF Property, with respect to imposition of the Lifestyle RSF, the Lifestyle RSF Property, and with respect to the imposition of any additional retail sales fee added to this Agreement by amendment, the property subjected to such RSF Covenant.

"*Sales*" means RSF Sales and PIF Sales.

"*Sales Tax*" means that tax levied by the City pursuant to the Sales Tax Ordinances.

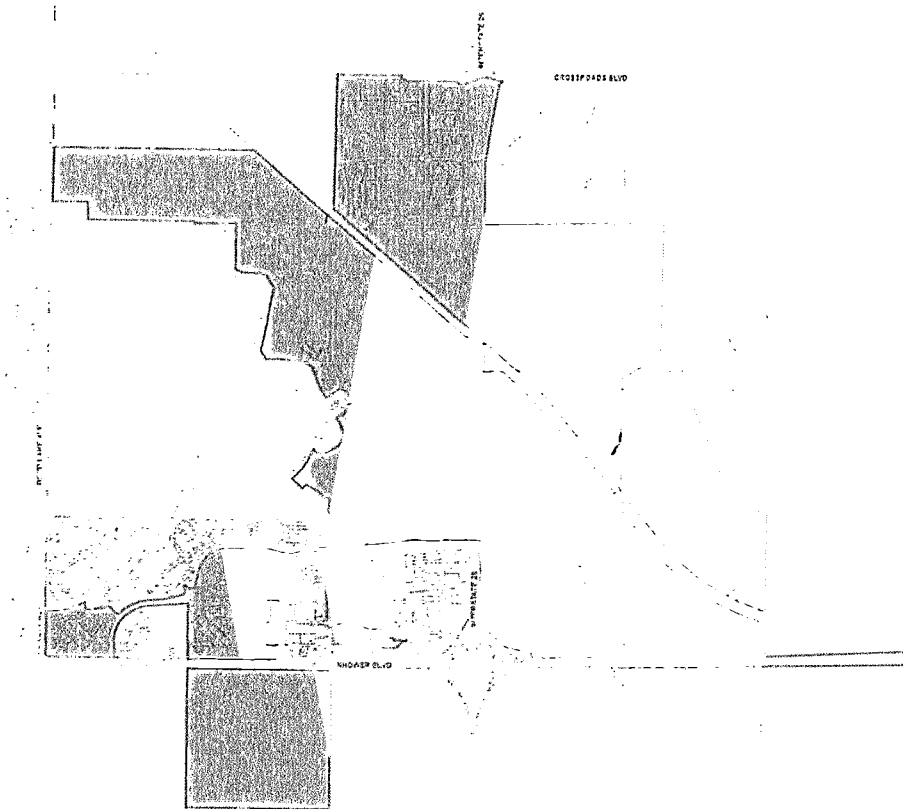
"*Sales Tax Ordinances*" means the Chapter 3.16 of the City's Municipal Code, but only to the extent pertaining to sales tax and not use tax, and regulations promulgated thereto, but only to the extent pertaining to sales tax and not use tax, both as amended from time to time.

"*Second Delinquency Notice*" means a written notice sent by first class mail providing the following (to the extent applicable): (A) the Centerra Retailer has failed to remit Revenues during the preceding month; (B) the Centerra Retailer has remitted an incorrect amount of Revenues (C) requesting immediate payment of delinquent Revenues or any shortfall in Revenues; (D) advising that a late fee in the amount of the greater of 10% of the delinquent PIF Revenues or \$15 is now owed and default interest at the rate of 1% per month (the "Default Rate") is accruing from the 20th day of the first month following the close of the Collection Month. Such notice shall be substantially similar to the form set forth in **Exhibit F** hereto, as the same may be modified from time to time upon consent of the PIC, Centerra RSF Corp. and Retail Prom.

"*Trustee*" means any trustee under any indenture of trust or similar agreement, which provides for the application of PIF Revenues in connection with any District Bonds. Trustee shall also mean any custodian under any custodial or similar agreement, which provides for application of PIF Revenues in connection with any District Bonds. As of the effective date of this Agreement, U.S. Bank National Association acting in a capacity as a Custodian under that certain Custodial Agreement dated as of June 8, 2011 among the Service District, the PIC, U.S. Bank National Association (as successor to UMB Bank, n.a.), as Custodian, and U.S. Bank National Association, as Administrative Agent on behalf of the Lenders. The Service District shall notify the City and the PIC of any change in the Trustee within ten (10) days of such change.

"*Waiver of Confidentiality*" means the Waiver of Confidentiality, in a form substantially similar to the form set forth in **Exhibit I** hereto.

EXHIBIT B PIF PROPERTY



CENTERRA PUBLIC IMPROVEMENTS FEE (PIF) AREA

LEGEND

Public Improvements Fee (PIF) Area

Case October 14, 2011



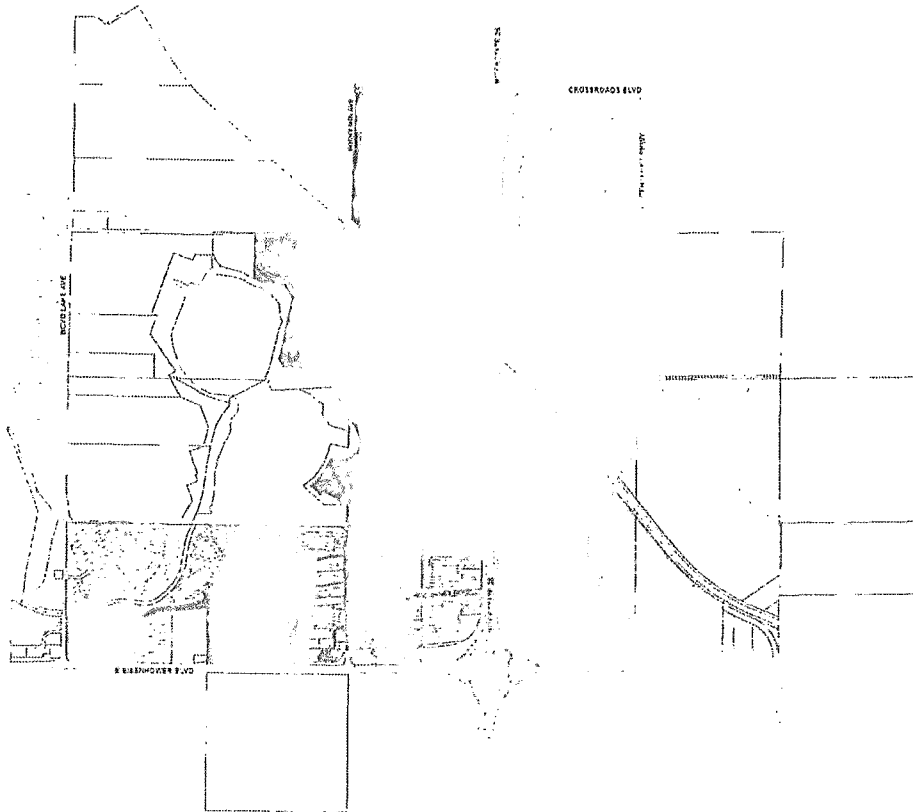
McWHINNEY
ATTORNEYS AT LAW
800.421.1000



Not To Scale



All dimensions are approximate and should not be used for construction purposes. The information is provided for informational purposes only.

EXHIBITS C AND D CENTERRA AND LIFESTYLE RSF PROPERTY



CENTERRA COMMUNITY RETAIL SALES FEE (RSF) AREAS

LEGEND

-  Piermarade Shops RSF Area
-  Centerra RSF Area

Rev October 10, 2011

PROJECT



McWHINNEY
ARCHITECTS
200 S. 10TH AVE.
SUITE 200
DENVER, CO 80202

DATE

N

NOT TO SCALE
THIS PLAN IS FOR INFORMATION ONLY. IT IS NOT A CONTRACT. THE CONTRACT IS THE SET OF PLANS AND SPECIFICATIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.

EXHIBIT E REPORTING FORMS

PIF REVENUES FORM

CENTERRA PUBLIC IMPROVEMENT COLLECTION CORPORATION
PUBLIC IMPROVEMENT FEE ADMINISTRATION
C/O CITY OF LOVELAND SALES TAX ADMINISTRATION
PO BOX 882 • LOVELAND, CO 80539
(870) 962-2707

PIF PAYMENT FORM

	PERIOD: _____ DUE DATE: _____ CITY ACCT # _____
	COMPUTATION OF PUBLIC IMPROVEMENT FEE

1.	GROSS SALES and SERVICES	
2.	Less Sales/Services not subject to the Public Improvement Fee (Retain your records for three years)	
3.	Net Sales Subject to Public Improvement Fee (Line 1 minus Line 2)	
4.	Public Improvement Fee Collected (1.25% of Line 3)	
5.	Excess Public Improvement Fee Collected	
6.	Total Public Improvement Fee Due and Payable (Add Line 4 and Line 5)	
7.	Adjustments: ADD (Additional Amount Due) Prior Period: Deduct (Credit Due to Merchant)	
8.	Late Filing Penalty: 10% of line 6 or \$15.00 whichever is greater Interest: 1% of line 6 per month	
9.	TOTAL PUBLIC IMPROVEMENT FEE DUE AND PAYABLE Payable to: CENTERRA PUBLIC IMPROVEMENT COLLECTION CORP	

PIF Payment Form Instructions

- Line 1: Report all sales made during the period covered.
Line 2: Deduct only those exempted sales allowed. These exemptions are the same as the City of Loveland's sales tax exemptions.
Line 3: To calculate sales subject to PIF, subtract Line 2 from Line 1.
Line 4: To calculate the PIF due, multiply Line 3 by 1.25%.
Line 5: Any excess PIF collected must be reported on Line 5 and refunded.
Line 6: To calculate the total PIF due, add Line 4 and Line 5.
Line 7: Add or deduct any under or overpayment from previous periods.
Line 8: Add 10% or \$15.00 whichever is greater and Interest is calculated at 1% per month.
Line 9: To calculate, total PIF due, add Line 6, 7 and 8.

Make Checks Payable To: **CENTERRA PUBLIC IMPROVEMENT COLLECTION CORP**

SEND REMITTANCE DATE: M - DAY - YEAR REMITTANCE TO DATE: M - DAY - YEAR	If payment is changed, use this change and use money order 2 If payment has been previously discontinued, use this statement 3 If payment is made by check, use one of the 10's series as backup; do not use direct-debit card 4 If payment is a return, give details of payment	SHOW BELOW CHASMER'S OWNERSHIP, NAME AND OR ALLIED, ETC. _____ _____ _____ <input type="checkbox"/> BILL ADDRESS <input type="checkbox"/> MAILING ADDRESS	I, hereby certify, under penalty of perjury, that the statements made herein are to the best of my knowledge true and correct. By: _____ Company: _____ Phone: _____ Title: _____ Date: _____

LIFESTYLE RSF REVENUES FORM

G & I VI PROMENADE LLC
 RETAIL SALES FEE ADMINISTRATION
 CITY OF LOVELAND SALES TAX ADMINISTRATION
 PO BOX 1388 • LOVELAND, CO 80539
 (970) 663-2707

RSF PAYMENT FORM

	PERIOD	DUE DATE	CITY ACCT #
	COMPUTATION OF RETAIL SALES FEE		

1.	GROSS SALES and SERVICES	
2.	Less Sales/Services not subject to the Retail Sales Fee (Attach your records for three years)	
3.	Net Sales Subject to Retail Sales Fee (Line 1 minus Line 2)	
4.	Retail Sales Fee Collected (1.0% of Line 3)	
5.	Excess Retail Sales Fee Collected	
6.	Total Retail Sales Fee Due and Payable (Add Line 4 and Line 5)	
7.	Adjustments: ADD (Additional Amount Due)	
	Excess Period: Deduct (Credit Due to Merchant)	
8.	Line Filing Penalty: 10% of line 6 or \$15.00 whichever is greater	
	Interest: 1% of line 6 per month	
9.	TOTAL RETAIL SALES FEE DUE AND PAYABLE Payable to: G & I VI PROMENADE LLC	

RSF Payment Form Instruction:

- Line 1: Report all sales made during the period covered.
 Line 2: Deduct only those exempted sales allowed. These exemptions are the same as the City of Loveland's sales tax exemptions.
 Line 3: To calculate sales subject to RSF subtract Line 2 from Line 1.
 Line 4: To calculate the RSF due, multiply Line 3 by 1.0%
 Line 5: Any excess RSF collected must be reported on Line 5 and refunded.
 Line 6: To calculate the total RSF due, add Line 4 and Line 5.
 Line 7: Add or deduct any under or overpayment from previous periods.
 Line 8: Add 10% or \$15.00 whichever is greater and interest is calculated at 1% per month.
 Line 9: To calculate total RSF due, add Line 6, 7 and 8.

Make Check Payable To: G & I VI PROMENADE LLC

NEW BUSINESS DATE MO. DAY YEAR EXISTING BUSINESS DATE MO. DAY YEAR	1 If starting, no check, pay due at time set 2 If business has been previously suspended, pay due at time set 3 If business has been closed, pay due at time set 4 If business is currently closed, pay due at time set 5 If business is closed, pay due at time set	SHOW BELOW CHANGE OF OWNERSHIP NAME AND/OR ADDRESS, ETC. <input type="checkbox"/> NEW BUSINESS <input type="checkbox"/> BUSINESS CHANGE	I, hereby certify under penalty of perjury that the information made known are to the best of my knowledge true and correct. By: _____ Company: _____ Phone: _____ Title: _____ Date: _____
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CENTERRA RSF REVENUES FORM

CENTERRA RETAIL SALES FEE CORPORATION
 RETAIL SALES FEE ADMINISTRATION
 C/O CITY OF LOVELAND SALES TAX ADMINISTRATION
 PO BOX 1425 • LOVELAND, CO 80539
 (970) 662-2707

RSF PAYMENT FORM

	PERIOD _____ DUE DATE _____ CITY ACCT # _____
	COMPUTATION OF RETAIL SALES FEE

1.	GROSS SALES and SERVICES	
2.	Less Sales/Services not subject to the Retail Sales Fee (Retain your records for three years)	
3.	Net Sales Subject to Retail Sales Fee (Line 1 minus Line 2)	
4.	Retail Sales Fee Collected (1.0% of Line 3)	
5.	Excess Retail Sales Fee Collected	
6.	Total Retail Sales Fee Due and Payable (Add Line 4 and Line 5)	
7.	Adjustments: ADD (Additional Amount Due) Prior Periods: Deduct (Credit Due to Merchant)	
8.	Late Filing: Penalty: 10% of line 6 or \$15.00 whichever is greater Interest: 1% of line 6 per month	
9.	TOTAL RETAIL SALES FEE DUE AND PAYABLE Payable to: CENTERRA RETAIL SALES FEE CORPORATION	

RSF Payment Form Instruction:	
Line 1: Report all sales made during the period covered. Line 2: Deduct only those exempted sales allowed. These exemptions are the same as the City of Loveland's sales tax exemptions. Line 3: To calculate sales subject to RSF subtract Line 2 from Line 1. Line 4: To calculate the RSF due, multiply Line 3 by 1.0%. Line 5: Any excess RSF collected must be reported on Line 5 and refunded. Line 6: To calculate the total RSF due, add Line 4 and Line 5. Line 7: Add or deduct any under or overpayment from previous periods. Line 8: Add 10% or \$15.00 whichever is greater and Interest is calculated at 1% per month. Line 9: To calculate, total RSF due, add Line 6, 7 and 8.	Make Check Payable To: CENTERRA RETAIL SALES FEE CORPORATION

MONTH END DATE MO DAY YEAR	1 If amount has changed, give date of change and to whom's credit. 2 If amount has been previously discussed, give date discussed. 3 If amount has been previously discussed, give date of discussion. 4 If amount is incorrect, give date of correction. 5 If amount is wrong, give date of correction.	SIGN BELOW THROUGH TO CORRESPONDING NAME AND/OR ADDRESS ETC.	I hereby certify, under penalty of perjury, that the statements made herein are to the best of my knowledge true and correct. By: _____ Company: _____ Phone: _____ Title: _____ Date: _____
SIGNATURE DATE MO DAY YEAR	<input type="checkbox"/> BILL ADDRESS <input type="checkbox"/> BILL THROUGH		

EXHIBIT F
FORM OF FIRST DELINQUENCY NOTICE
FORM OF SECOND DELINQUENCY NOTICE



CITY OF LOVELAND
REVENUE DIVISION

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2703 • FAX (970) 962-2994 • TDD (970) 962-2626

First Delinquency Notice

[Business Name]
[Primary DBA]
[Address 1]
[Address 2]
[City, State Zip]

[current Date]
[Account Number: xxxx]

Re: [primaryDBASName] Public Improvement Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [period \$description] Public Improvement Fee Schedule and payment. If you are experiencing difficulty preparing the Schedule, please feel free to contact me with any questions. I am also available by appointment for individual assistance.

As a result, you are being charged a late fee in an amount equal to the greater of 10% of the delinquent PIF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid.

Payment must be made payable to Centerra Public Improvement Collection Corporation and mailed to PO Box 892, Loveland, CO 80539.

Please contact me if you need PIF Schedules mailed or faxed. Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXXX
Revenue & Licensing Agent
City of Loveland
XXXXXX@ci.loveland.co.us

cc: File
Report Recipients



CITY OF LOVELAND
REVENUE DIVISION

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2703 • FAX (970) 962-2594 • TDD (970) 962-2620

Second Delinquency Notice

[Business Name]
[Primary DBA]
[Address 1]
[Address 2]
[City, State Zip]

[current Date]
[Account Number: xxxx]

Re: [primaryDBA\$uame] Public Improvement Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [period\$description] Public Improvement Fee Schedule and payment as requested in our First Delinquency Notice on [date of first notice]. As a result, a late fee is now due in an amount equal to the greater of 10% of the delinquent PIF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid, accruing since [date period was due].

Payment must be made payable to Centerra Public Improvement Collection Corporation and mailed to PO Box 892, Loveland, CO 80539.

If you are experiencing difficulty preparing your schedule, please feel free to contact me with any questions.

Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXX
Revenue & Licensing Agent
City of Loveland
XXXXXX@ci.loveland.co.us

cc: File
Report Recipients



CITY OF LOVELAND
REVENUE DIVISION

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2708 • FAX (970) 962-2994 • TDD (970) 962-2620

First Delinquency Notice

[Business Name]
[Primary DBA]
[Address: 1]
[Address: 2]
[City, State Zip]

[currentDate]
[Account Number: xxxx]

Re: [primaryDBASuame] Retail Sales Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [period\$description] Retail Sales Fee Schedule and payment. If you are experiencing difficulty preparing the Schedule, please feel free to contact me with any questions. I am also available by appointment for individual assistance.

As a result you are being charged a late fee in an amount equal to the greater of 10% of the delinquent RSF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid.

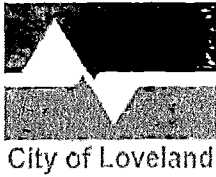
Payment must be made payable to G & I VI Promenade, LLC and mailed to PO Box 1386, Loveland, CO 80539.

Please contact me if you need RSF Schedules mailed or faxed. Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXXX
Revenue & Licensing Agent
City of Loveland
XXXXXX@ci.loveland.co.us

cc: File
Report Recipients



CITY OF LOVELAND
REVENUE DIVISION
Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2708 • FAX (970) 962-2094 • TDD (970) 962-2620

Second Delinquency Notice

[Business Name]
[Primary DBA]
[Address 1]
[Address 2]
[City, State Zip]

[currentDate]
[Account Number: XXXX]

Re: [primaryDBASname] Retail Sales Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [periodSdescription] Retail Sales Fee Schedule and payment as requested in our First Delinquency Notice on [date of first notice]. As a result, a late fee is now due in an amount equal to the greater of 10% of the delinquent RSF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid, accruing since [date period was due].

Payment must be made payable to G & I VI Promenade LLC, and mailed to PO Box 1386, Loveland, CO 80539.

If you are experiencing difficulty preparing your schedule, please feel free to contact me with any questions.

Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXXX
Revenue & Licensing Agent
City of Loveland
XXXXXX@ci.loveland.co.us

cc: File
Report Recipients



CITY OF LOVELAND
REVENUE DIVISION

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2703 • FAX (970) 962-2994 • TDD (970) 962-2620

First Delinquency Notice

[Business Name]
[Primary DBA]
[Address 1]
[Address 2]
[City, State Zip]

[current Date]
[Account Number: xxxx]

Re: [primaryDBASname] Retail Sales Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [period\$description] Retail Sales Fee Schedule and payment. If you are experiencing difficulty preparing the Schedule, please feel free to contact me with any questions. I am also available by appointment for individual assistance.

As a result you are being charged a late fee in an amount equal to the greater of 10% of the delinquent RSF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid.

Payment must be made payable to Centerra Retail Sales Fee Corporation and mailed to PO Box 1386, Loveland, CO 80539.

Please contact me if you need RSF Schedules mailed or faxed. Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXXX
Revenue & Licensing Agent
City of Loveland
XXXXXX@ci.loveland.co.us

cc: File
Report Recipients



CITY OF LOVELAND
REVENUE DIVISION

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2708 • FAX (970) 962-2994 • TDD (970) 962-2620

Second Delinquency Notice

[Business Name]
[Primary DBA]
[Address 1]
[Address 2]
[City, State Zip]

[current Date]
[Account Number: xxxx]

Re: [primaryDBASName] Retail Sales Fee Payment Past Due

Dear Tenant:

Our records indicate that you have not submitted your [period] [description] Retail Sales Fee Schedule and payment as requested in our First Delinquency Notice on [date of first notice]. As a result, a late fee is now due in an amount equal to the greater of 10% of the delinquent RSF Revenues or \$15.00, and interest in the amount of 1% per month or portion of a month from the due date, that the fee deficiency remains unpaid, accruing since [date period was due].

Payment must be made payable to Centerra Retail Sales Fee Corporation and mailed to PO Box 1386, Loveland, CO 80539.

If you are experiencing difficulty preparing your schedule, please feel free to contact me with any questions.

Your prompt attention to this matter will help avoid assessment of additional penalties and interest.

Best Regards,

XXXXX
Revenue & Licensing Agent
City of Loveland
XXXXX@ci.loveland.co.us

cc: File
Report Recipients

EXHIBIT G
NOTICE OF VIOLATION OF COVENANT

OFFICIAL NOTICE

**VIOLATION OF PUBLIC IMPROVEMENT FEE
AND/ OR RETAIL SALES FEE REQUIREMENTS**

This letter serves as official notice that on _____ (date), at _____ (time)
_____ (business) located in Suite _____ (number) at
_____, is in violation of the Public Improvement Fee and/or
Retail Sales Fee requirements as described in the Collection Agreement as follows:

- ☐ Placard not displayed by sales register.
- ☐ Public Improvement Fee combined with Sales Tax Receipt.
- ☐ Retail Sales Fee combined with Sales Tax Receipt.
- ☐ Public Improvement Fee not charged on receipt.
- ☐ Retail Sales Fee not charged on receipt.
- ☐ PIF and or RSF fee rate is incorrect. PIF should be 1.25%, RSF should be 1.0% of all tangible personal property sales (See Attached Detail for corrections)
- ☐ Tenant does not have a Public Improvement Fee or Retail Sales Fee Account registered with the City.
- ☐ Other _____

This violation must be resolved by _____

If you have any questions on your PIF or RSF requirements, please contact _____
at _____.

Store Recipient _____
Print Name

Recipient Signature: _____

Inspector Initials: _____

U:\5 PROJECTS\Collection Agreement\2011 Negotiations\Exhibit H - Forms\Draft-
ViolationNotice revised PIF - RSF combined.docx

EXHIBIT H FORM OF MONTHLY REPORTS

Promenade Shops
Monthly Sales and Public Improvement Fee Collection
June 2011 Reporting Period

Store Company	Net Sales Subject to PF	PF Paid	Credit Balance	W/S Filed	Gross Sales Reported to City of Cleveland	Net Sales Reported to City of Cleveland
Associates						
As Formal Concepts						
American Eagle Outfitters						
Armani men						
Armani						
Banana Republic						
Barneys Shoppe						
Bar's & Body Works						
Bath						
Bergdorf Grl						
Best Buy						
Best Buy						
Bergdorf						
Billy & Bear Warehouse						
Charlotte Russe inc						
Chicos						
Christopher & Banks						
Clothing Warehouse						
The Exchange						
The Children's Place						
The Footcure						
The Great Frame Up						
Victoria's Secret						
White House Black Market						
Yankee Candle						
Zales						
Zurbrugg						
Yankee						

SUBTOTAL

Previous Months & Deficiencies

Store Company	Net Sales Subject to PF	PF Paid	Credit Balance	Gross Sales Reported to City of Cleveland	Net Sales Reported to City of Cleveland
Associates					
As Formal Concepts					
American Eagle Outfitters					
Armani men					
Armani					
Banana Republic					
Barneys Shoppe					
Bar's & Body Works					
Bath					
Bergdorf Grl					
Best Buy					
Best Buy					
Bergdorf					
Billy & Bear Warehouse					
Charlotte Russe inc					
Chicos					
Christopher & Banks					
Clothing Warehouse					
The Exchange					
The Children's Place					
The Footcure					
The Great Frame Up					
Victoria's Secret					
White House Black Market					
Yankee Candle					
Zales					
Zurbrugg					
Yankee					

SUBTOTAL

GRAND TOTAL

GRAND TOTAL

[illegible]

Previous Honors & Distinctions -

[illegible]

14-00000

[illegible]

Frontenac Shops
Monthly Sales and Retail Sales Fee Collection
June 2011 Reporting Period

Store/ Company	Net Sales Subject to RST	RST Paid	Credit Balance	Non File	Gross Sales Reported to City of Lowell
Accommodate					
As Forne Associates					
American Eagle Outfitters					
Ann's Haircare					
Art Taylor					
Barnes & Noble					
Barnes & Noble					
Barn & Book House					
Bella					
Bert's Dry Cleaning					
Boutique					
Boutique					
Butt & Beech Associates					
Charming Kitchens					
Chase					
Christopher's Books					
Circuit City					
The Cupcake Co.					
The Children's Place					
The Fresh Line					
The Great Frame Up					
Volante's Barber					
White House Black Market					
Yorke's Cards					
Zane					
Zurich					
Nowhere					

SUBTOTAL

Previous Months' Differences

Store/ Company	Net Sales Subject to RST	RST Paid	Period	Gross Sales Reported to City of Lowell
Accommodate				
As Forne Associates				
American Eagle Outfitters				
Ann's Haircare				
Art Taylor				
Barnes & Noble				
Barnes & Noble				
Barn & Book House				
Bella				
Bert's Dry Cleaning				
Boutique				
Boutique				
Butt & Beech Associates				
Charming Kitchens				
Chase				
Christopher's Books				
Circuit City				
The Cupcake Co.				
The Children's Place				
The Fresh Line				
The Great Frame Up				
Volante's Barber				
White House Black Market				
Yorke's Cards				
Zane				
Zurich				
Nowhere				

SUBTOTAL

GRAND TOTAL

Centre Market Place
Monthly Sales and Returns as per Collection
June 2018 Deerfield Estate

[illegible]

U.S. 10th A.

Prey and Mortality & Deficiencies

[illegible]

RESULTS

EXHIBIT I
FORM OF WAIVER OF CONFIDENTIALITY

PARTIES TO LEASE:

LANDLORD: _____

TENANT: _____

DATE OF LEASE: _____

LEASE TERM: _____

PROPERTY/STORE

DESCRIPTION OR NAME: _____

ADDRESS OF TENANT: _____

Tenant hereby acknowledges that it is a party to the above referenced Lease which contains provisions regarding the duty to impose and collect a Public Improvement Fee ("PIF") and a Retail Sales Fee ("RSF"), as specifically addressed in Sections 14.6 and 14.7, respectively, and also in Section 14.8 of said Lease. The undersigned is fully authorized to act on behalf of the Tenant in the matters covered by this Waiver of Confidentiality and, in such capacity, does hereby agree to the terms of Sections 14.6, 14.7 and 14.8 of the Lease. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in Exhibit A attached hereto.

With respect to the PIF, the Tenant specifically authorizes the PIF Designated Receiving Entity and any other PIF Enforcing Party to:

(i) audit the books and records of the Tenant in determining compliance with the PIF collection and remittance obligations of Tenant under the Lease; and

(ii) release to the PIF Report Recipients (but not to any other person or entity, except as required by law) such audited information and any reports, returns and other documents as are delivered to the PIF Designated Receiving Entity by the Tenant relating to the PIF and the sales tax imposed by the City of Loveland and any relevant information gathered by the PIF Designated Receiving Entity and any other PIF Enforcing Party during an audit or in reviewing such reports, returns or other documents relating to the PIF and the sales tax imposed by the City of Loveland; provided, however that any such information pertaining specifically to the Tenant provided to PIF Report Recipients described in subparagraph (iii) or (iv) of the definition of PIF Report Recipient (including Dissemination Agents) will be made only on an aggregated basis with the similar information submitted by other retailers in the same retail center in the Centerra development and/or all retailers in the Centerra development, and without separate identification (direct or indirect) of the PIF, the Sales (as defined in Section 14.8 of the Lease) or City or State sales taxes of such Tenant. Tenant hereby acknowledges that any such information will remain confidential, to the extent permitted or required by law, and be used only for purposes of collecting PIF Revenues due, enforcing Tenant's obligations under the Lease and otherwise monitoring compliance with the provisions thereof, except with respect to information provided to PIF Report Recipients described

in subparagraph (iii) or (iv) of the definition of PIF Report Recipient, and except for such disclosures or publications as may be required by applicable laws.

With respect to the RSF, the Tenant specifically authorizes the RSF Designated Receiving Entity and any other RSF Enforcing Party to:

(i) audit the books and records of the Tenant in determining compliance with the RSF collection and remittance obligations of Tenant under the Lease; and

(ii) release to the RSF Report Recipients (but not to any other person or entity, except as required by law) such audited information and any reports, returns and other documents as are delivered to the RSF Designated Receiving Entity by the Tenant relating to the RSF and the sales tax imposed by the City of Loveland and any relevant information gathered by the RSF Designated Receiving Entity and any other RSF Enforcing Party during an audit or in reviewing such reports, returns or other documents relating to the PIF and the sales tax imposed by the City of Loveland; provided, however that any such information pertaining specifically to the Tenant provided to RSF Report Recipients described in subparagraph (iii) or (iv) of the definition of RSF Report Recipient (including Dissemination Agents) will be made only on an aggregated basis with the similar information submitted by other retailers in the same retail center in the Centerra development and/or all retailers in the Centerra development, and without separate identification (direct or indirect) of the RSF, the Sales (as defined in Section 14.8 of the Lease) or City or State sales taxes of such Tenant. Tenant hereby acknowledges that any such information will remain confidential, to the extent permitted or required by law, and be used only for purposes of collecting RSF Revenues due, enforcing Tenant's obligations under the Lease and otherwise monitoring compliance with the provisions thereof, except with respect to information provided to RSF Report Recipients described in subparagraph (iii) or (iv) of the definition of RSF Report Recipient, and except for such disclosures or publications as may be required by applicable laws.

In addition, all audited information, reports, returns and other documents provided to the PIF Designated Receiving Entity and the RSF Designated Receiving Entity by Tenant shall be maintained by the Tenant for at least three (3) years from the date of submission thereof to the PIF Designated Receiving Entity or the RSF Designated Receiving Entity, respectively, and, upon written request, shall be made available to any PIF Enforcing Party and to any RSF Enforcing Party, respectively, for inspection and audit at the Tenant's place of business.

This waiver shall be in effect for any period of time during which a lease is in effect between the Tenant and Landlord, regardless of whether an initial term, a separate term or extension thereof, plus a period of three years beyond the termination of any such lease.

TENANT:
_____ (Name)

By: _____
Its: _____

EXHIBIT A
DEFINITIONS APPLICABLE TO TENANT WAIVER OF CONFIDENTIALITY

“City” shall mean and refer to the City of Loveland, Colorado.

“Metro Districts” shall mean and refer to Centerra Metropolitan District Nos. 1 through 4, inclusive, quasi-municipal corporations and political subdivisions of the State of Colorado to be organized and acting pursuant to the provisions of the Colorado Special District Act.

“PIC” shall mean and refer to The Centerra Public Improvement Collection Corporation, a non-profit corporation organized under the laws of the State of Colorado for the sole and exclusive purpose of collecting, holding and disbursing the Public Improvement Fee, and its successors and assigns.

“PID” shall mean and refer to The Centerra Public Improvement Development Corporation, or in the event of the dissolution or bankruptcy of such corporation, any other non-profit corporation organized by Centerra Properties West, LLC, under the laws of the State of Colorado for the purpose of constructing certain public improvements generally in the vicinity of Centerra and otherwise applying the Public Improvement Fees to the purposes permitted herein, and any such entity’s successors and assigns

“PIF Bond Trustee” shall mean and refer to the trustee or trustees for the holders of any other obligations secured in whole or in part by the PIF revenues.

“PIF Covenant” means a Declaration of Covenants Imposing and Implementing the Centerra Public Improvement Fee relating to the PIF and recorded or to be recorded against certain real property, including the real property leased by Tenant under the Lease.

“PIF Designated Receiving Entity” shall mean and refer to any entity designated by the PIC from time to time to receive the Public Improvement Fee revenues and perform any other functions in connection with the Public Improvement Fee revenues, which may include the City. The designation of any such entity by the PIC shall be subject to the prior written approval of the City Manager, which approval shall not be unreasonably withheld; provided, however that if the City Manager’s written approval is not received within 20 days of request therefore by the PIC, the City Manager shall be deemed to have given such approval. If no such entity has been designated by the PIC (and approved by the City Manager), references herein to “PIF Designated Receiving Entity” shall mean the PIC.

“PIF Dissemination Agent” shall mean and refer to any entity charged with providing information to purchasers of debt or obligations secured in whole or in part by the PIF revenues, which may include the PIF Bond Trustee.

“PIF Enforcing Party” shall mean and refer to any one (1) or more of the Declarants of the PIF Covenant, the Centerra Metropolitan District No. 1, the City, the Loveland Urban Renewal Authority, the PIF Bond Trustee, the PID, the PIC, any PIF Designated Receiving Entity, or any third party designated by any of the foregoing.

“PIF Report Recipient” (i) the PIC, the PIF Bond Trustee, the PID, Centerra Properties West, LLC, the Metro Districts, and the City, (ii) with respect to the specific information of the Tenant, the Landlord, (iii) any PIF Dissemination Agent; and (iv) any investor or potential investor in the Centerra development and its consultants, any mortgagee, prospective mortgagee, encumbrancer or purchaser of any part of the Centerra development or a prospective purchaser of any interest in Centerra Properties West, LLC.

“Primary RSF Recipient” shall mean and refer to [Centerra Retail Sales Fee Corporation][G&I VI Retail Prom, LLC] or any entity to whom the [Centerra Retail Sales Fee Corporation] [G&I VI Retail

Prom, LLC], or any subsequent Primary RSF Recipient, has assigned its rights in and control over, as provided in the RSF Covenant, the RSF revenues.

“RSF Bond Trustee” shall mean and refer to the trustee or trustees for the holders of any other obligations secured in whole or in part by the RSF revenues, if any.

“RSF Covenant” means a Declaration of Covenants Imposing and Implementing the [Centerra Retail Sales Fee] [Lifestyle Retail Sales Fee] relating to the RSF and recorded or to be recorded against certain real property, including the real property leased by Tenant under the Lease.

“RSF Designated Receiving Entity” shall mean and refer to any entity designated by the Primary RSF Recipient from time to time to receive the RSF revenues and perform any other functions in connection with the RSF revenues, which may include the City. If no such entity has been designated by the Primary RSF Recipient, references herein to “RSF Designated Receiving Entity” shall mean the Primary RSF Recipient.

“RSF Dissemination Agent” shall mean and refer to any entity charged with providing information to purchasers of debt or obligations secured in whole or in part by the RSF revenues, which may include the RSF Bond Trustee.

“RSF Enforcing Party” shall mean and refer to [Centerra Retail Sales Fee: any one (1) or more of the Declarants of the RSF Covenant, the Primary RSF Recipient, any RSF Designated Receiving Entity and other RSF Recipient, or any third party designated by any of the foregoing] [Lifestyle Retail Sales Fee: any one (1) or more of the Primary RSF Recipient, any RSF Designated Receiving Entity and other RSF Recipient, or any third party designated by any of the foregoing].

“RSF Recipient” shall mean and refer to any entity to whom the Declarants of the RSF Covenant, the Primary RSF Recipient or any other RSF Recipient has assigned all or any portion of its rights in and to the RSF Revenues.

“RSF Report Recipient” shall mean and refer to: (i) the Primary RSF Recipient, the RSF Bond Trustee, and any other RSF Recipient; (ii) with respect to the specific information of the Tenant, the Landlord, (iii) any RSF Dissemination Agent; and (iv) any investor or potential investor in the Centerra development and its consultants, any mortgagee, prospective mortgagee, encumbrancer or purchaser of any part of the Centerra development or a prospective purchaser of any interest in Centerra Properties West, LLC.

EXHIBIT J
SCHEDULE OF CITY'S FEES AND REIMBURSABLE EXPENSES

Basic Collections Agreement

Services		Estimated Annual Hours
Register Checks	Per the terms in the redlined Collection agreement dated March 18, 2008 (Once per year per store unless a new store or found non-compliant.)	184
New Store set-up and Minor Enforcement	Store visits by Auditors to train and enforce fee collection policies and/or ensure payment of past due fees	152
Deposits	Per the City's separation of duties policies, an auditor prepares daily deposits 15-31 times each month	204
Daily and Monthly Accounting & Reporting	Manage returns, complete daily/monthly/annual reports, field vendor questions, all daily administration, Special/one time events	1040
General Administration and Supervision	Overview and supervision by Revenue Manager and Sales Tax Manager	114
Total Estimated Hours - Collection		1694
Annual Cost for 2012		\$ 67,000

Discovery and Additional Enforcement

Discovery	20 discoveries per year to be defined the prior November	240
Collection Calls and Additional Enforcement	Full participation In the City's Delinquency Process	204
General Administration and Supervision	Overview and supervision by Revenue Manager and Sales Tax Manager	150
Total Estimated Hours - Discovery/Enforcement		594
Annual Cost for 2012		\$ 24,000

Total Direct and Indirect Costs	Personal Services, Supplies, Purchased Services, (IT) Information Technology, Telecommunications, Legal & Facilities	\$ 91,000
--	--	------------------

Total Estimated Hours - Collections/Discovery/Enforcement	\$ 2,288
Your Total Annual Cost for 2012	\$ 91,000
Percentage base on \$4.3 million Total Collections	2.12%

Extraordinary Reimbursable Expenses

Audits	In Excess of 5 audits per year (hourly rate)	\$ 45.00
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EXHIBIT B

2012 BUDGET RESOLUTIONS

FOR

CENTERRA METROPOLITAN DISTRICTS NOS. 1 – 5

**CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF**

**CENTERRA METROPOLITAN DISTRICT NO. 1
CITY OF LOVELAND
LARIMER COUNTY, COLORADO**

Relating to a Resolution Authorizing a Promissory Note
to Evidence a Committed Loan Amount of \$130,920,000

Adopted on May 19, 2011

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 1)

The Board of Directors (the "Board" or "Board of Directors") of Centerra Metropolitan District No. 1, (in the City of Loveland, Larimer County, Colorado), met in special session at the offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday, the 19th day of May, 2011, at the hour of 11:00 a.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Directors present:

Kim Perry	President
Jay Hardy	Vice President & Assistant Secretary
Doug Hill	Treasurer & Assistant Secretary
Josh Kane	Assistant Secretary/Treasurer
Tom Hall	Secretary
Directors absent:	none

Also present:

General Counsel:	Alan Pogue, Esq. Icenogle Seaver Pogue, P.C.
Bond Counsel:	Tom Peltz, Esq. Kutak Rock LLP
District Finance Director:	Peggy Dowswell and Rich Shannon Pinnacle Consulting Group, Inc.
District Swap Advisors:	Tom LaFleur and Jonathan Heroux Piper Jaffray & Co.
Swap Provider	Jeff Lindquist, RBC Capital Markets
Swap Provider (telephonically)	S. Edmund Kim, BBVA

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Centerra Metropolitan District No. I, in the City of Loveland, Larimer County, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 et seq. of the Colorado Revised Statutes, as amended; and

WHEREAS, there has been presented to the Board substantially final copies of, among other things, the Loan Agreement (the "Loan Agreement"), dated as of the Closing Date (as defined in the Loan Agreement), and related Fee Letter (the "Fee Letter") between (i) the District, as Borrower, (ii) Centerra Metropolitan District No. 2 ("District No. 2"), Centerra Metropolitan District No. 3 ("District No. 3"), Centerra Metropolitan District No. 4 ("District No. 4") and Centerra Metropolitan District No. 5 ("District No. 5"), (iii) Compass Bank, as Syndication Agent, (iv) U.S. Bank National Association, as Administrative Agent and (v) BOKF, N.A. d/b/a Colorado State Bank & Trust, successor to Colorado State Bank & Trust,, Vectra Bank and Colorado Business Bank, as other Lenders, all capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings assigned in Article I of the Loan Agreement; and

WHEREAS, the District was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District, including sanitation, water, street, safety protection, public transportation, mosquito control, television relay and translation, park and recreation, and fire protection facilities and services, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and providing for the maintenance and operation of such improvements, all in accordance with Title 32, C.R.S.; and

WHEREAS, at a special election of the qualified electors of the District, duly called and held on Tuesday, May 4, 2004, in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, the issuance of District indebtedness, for the purpose of providing certain improvements and facilities, the questions relating thereto being as set forth in an Exhibit to the Loan Agreement; and

WHEREAS, the Board of Directors of the District has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of \$110,920,000 (the "Series 2008 Bonds") to refund outstanding bonds and to acquire, construct, relocate, install, complete and otherwise provide for improvements and facilities as contemplated in the Service Plan and the Master Financing Agreement, the debt for which was approved at the Election, which Series 2008 Bonds were issued pursuant to an Indenture of Trust dated as of March 1, 2008 (the "2008 Indenture") between the District and UMB Bank, n.a. (as successor in interest to American National Bank), as trustee (the "Trustee"); and

WHEREAS, the Board has considered and does hereby determine that it is in the best interests of the District that the Series 2008 Bonds be refunded and that the District fund additional costs of the Project (which includes the payment and cancellation of the Series 2008

Bonds, the funding of a reserve fund, the financing of additional public improvements and refinancing of existing debt obligations incurred to acquire or construct public improvements and the payment of certain costs of issuance), and that for such purpose the District shall, pursuant to the Loan Agreement, incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is not required for refinancing district bonded debt at a lower interest rate and the maximum net effective interest rate for the 2011 Note will be less than the comparable rate for the Series 2008 Bonds; and

WHEREAS, the Loan Agreement sets forth the remaining authorized but unissued debt approved pursuant to the Election and, based upon the anticipated use of the proceeds of the 2011 Note for the portion of the 2011 Note which exceeds the outstanding principal amount of the Series 2008 Bonds, there will be allocated a portion of the remaining Election debt authorization as set forth in the closing documents for this financing; and

WHEREAS, the 2011 Note, which will be a special limited revenue obligation of the District payable solely from the Pledge Revenue, subject to the limitations set forth in the Loan Agreement, is to be issued pursuant to the provisions of Title 32, Article 1, C.R.S., Title 11, Article 57, Part 2, C.R.S., Title 11, Article 56, C.R.S., and all other laws thereunto enabling; and

WHEREAS, in order to provide for certain of the Pledged Revenue, it is anticipated that the District, District No. 2, the Administrative Agent and the Custodian will enter into a Revised and Restated Capital Pledge Agreement dated as of Closing Date (the "Capital Pledge Agreement"); and

WHEREAS, the District has previously entered into an Intergovernmental Agreement Between Centerra Metropolitan District No. 1 and Centerra Metropolitan District No. 3 Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement dated as of July 29, 2004, as amended pursuant to the First Amendment to Intergovernmental Agreement Between Centerra Metropolitan District No. 1 and Centerra Metropolitan District No. 3 Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement dated as of March 1, 2008 (as amended, the "District No. 3 IGA"), pursuant to which District No. 3 pledges certain revenues to the District which constitute a portion of the Pledged Revenue under the Loan Agreement; and

WHEREAS, the District has previously entered into an Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy dated March 1, 2008 (the "Original District No. 4 IGA"), and in connection with the issuance of the 2011 Note it is anticipated that the District will enter into a First Amendment to the Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy (together with the Original District No. 4 IGA, the "District No. 4, IGA"), among District No. 2, District No. 4 and the District, establishing the right of the District No. 2 to impose the Required Mill Levy in

accordance with the Capital Pledge Agreement prior to the imposition of any mill levy by the District No. 4; and

WHEREAS, the 2011 Note will qualify as an issue of bonds not involving a public offering made exclusively to accredited investors, as that term is defined under sections 3(b) and 4(2) of the federal "Securities Act of 1933" by regulation adopted thereunder by the securities and exchange commission, in accordance with § 11-59-110(1)(g), C.R.S., as amended and will be exempt from registration under the Colorado Municipal Bonds Supervision Act; and

WHEREAS, the District expects to enter into a Custodial Agreement dated as of the Closing Date (the "Custodial Agreement"), by and among the District, The Centerra Public Improvement Collection Corporation, U.S. Bank National Association, as Administrative Agent and UMB Bank, n.a., as Custodian, pursuant to which agreement the Custodian will hold, the Debt Service Fund, the Collateral Revenue Fund, the Reserve Fund, as well as the accounts established within said funds for the deposit of the Pledged Revenues, in accordance with the terms thereof; and

WHEREAS, the District has previously entered into, and there is currently in effect, an interest rate exchange agreement consisting of the International Swap Dealers Association, Inc. Master Agreement dated October 25, 2004, between the District and the Royal Bank of Canada, as amended and supplemented by the Schedule to the Master Agreement dated as of October 25, 2004 and the Confirmation dated as of March 19, 2008 (the "2008 RBC Agreement and Transaction") pursuant to which the District pays a fixed rate of interest on a scheduled notional amount for receipt from the Interest Rate Exchange Agreement Provider of a floating rate on said notional amount; and

WHEREAS, the Board desires to amend and supplement the 2008 RBC Agreement and Transaction by, among other things, changing the notional balances to continue to match the planned District amortization of principal on its outstanding indebtedness through calendar year 2029 and to change the "Floating Rate Option", as defined in the 2008 RBC Agreement and Transaction, from the USD-SIFMA Municipal Swap Index to 75.00% of USD-LIBOR-BBA (the 2008 RBC Agreement and Transaction, as amended and supplemented on or about the Closing Date, the "2011 RBC Agreement and Transaction"); and

WHEREAS, the notional balances reflected in the 2008 RBC Agreement and Transaction substantially conform with the principal amortization for the Series 2008 Bonds to December 1, 2029 and, while the District will continue to amortize the repayment of its outstanding indebtedness based upon an assumed final maturity in calendar year 2029, the 2011 Note will mature in calendar year 2016; and

WHEREAS, pursuant to § 11-59.3-103(5), C.R.S., the term of an interest rate exchange agreement cannot exceed the term of the public securities or proposed public securities with respect to which the agreement is made and the 2011 RBC Agreement and Transaction will not exceed the term of either (i) the 2011 Note, based upon the automatic termination of the 2011 RBC Agreement and Transaction in the event that the 2011 Note is not refinanced, or (ii) the "proposed public securities" within the meaning of § 11-59.3-102(1)(b), C.R.S., based upon the Board's expectations and declaration of intent to refinance the principal due on the 2011 Note

prior to its stated maturity date, as well as Election voter approval available to effect the refinancing; and

WHEREAS, as a condition of the Loan Agreement, the District expects to enter into a separate interest rate exchange agreement for a notional amount equal to the principal of the 2011 Note which is not covered by the notional amount of the 2011 RBC Agreement and Transaction, which agreement is to consist of the International Swap Dealers Association, Inc. Master Agreement dated on or about the Closing Date, between the District and Banco Bilbao Vizcaya Argentaria S.A., as supplemented by the Schedule to the Master Agreement dated of even date therewith and the accompanying Confirmation (the "2011 BBVA Agreement and Transaction" and, together with the 2011 RBC Agreement and Transaction, the "Interest Rate Exchange Agreements"); and

WHEREAS, at this meeting of the Board, the Board was provided written and oral information as to the costs, risks and benefits of the Interest Rate Exchange Agreements from the respective providers of such agreements, as well as from Piper Jaffray & Co., Municipal Securities Group, the swap advisor to the District; and

WHEREAS, in addition to this Resolution, the Board has been presented with substantially final drafts of the following documents: (i) the Loan Agreement; (ii) the Fee Letter; (iii) the Custodial Agreement; (iv) the Capital Pledge Agreement; (v) the Interest Rate Exchange Agreements; and (vi) the District No. 4 IGA (collectively, the "Authorizing Documents"); and

WHEREAS, the Board desires to authorize the issuance of the 2011 Note and the execution and delivery of the foregoing documents; and, pursuant to § 11-57-205(1), C.R.S. to delegate the authority to the President of the District, or the absence of the President the Vice-President of the District, to make determinations regarding the 2011 Note as more specifically delineated by, and subject to the limitations set forth in, this Resolution; and authorize the execution, completion, and delivery of such agreements, certificates and other documents as may be necessary to effect the intent of this Resolution and the Loan Agreement, and the funding of the Project; and

WHEREAS, pursuant to § 32-1-902(3), C.R.S., and § 18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with § 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the 2011 Note in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 1, CITY OF LOVELAND, COLORADO:

Section 1. Approval and Authorization of Authorizing Documents.

(a) The Authorizing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Authorizing Documents in substantially the form of such documents presented at or prior to this meeting. The President of the District and the Secretary of the District, or the Assistant Secretary in the Secretary's absence, are hereby authorized and directed to execute and attest the Authorizing Documents and to affix the seal of the District thereto, and the President of the District, Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to satisfy the conditions to closing set forth in Section 3.01 of the Loan Agreement and to issue the 2011 Note. The Authorizing Documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, and subject to the limitations of Section 3 hereof, such approval shall be evidenced by their execution thereof. Additionally, to the extent any Financing Documents, as defined in the Loan Agreement, were executed prior to the date hereof, said execution is hereby ratified and affirmed.

(b) Copies of all of the Authorizing Documents shall be delivered, filed, and recorded as provided therein. Upon execution of the Authorizing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

(c) The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the 2011 Note not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

(d) The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the 2011 Note and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

Section 2. Authorization of Financing. In accordance with the Constitution of the State of Colorado; Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; Title 11, Article 56, C.R.S.; and all other laws of the State of Colorado thereunto enabling, there shall be issued the 2011 Note for the purpose of funding Project, all as further provided in the Loan Agreement. The 2011 Note shall constitute a special limited revenue obligation of the District as provided in the Loan Agreement. The Pledge Revenue securing the Secured Obligations under the Loan Agreement and the Interest Rate Exchange Agreements shall be deposited, held and administered as provided in the Custodial Agreement.

Section 3. Note Details.

(a) The Note shall be issued in the aggregate principal amount of up to \$130,920,000 and dated the Closing Date. The 2011 Note shall bear interest, shall mature, shall be subject to optional prepayment prior to maturity and shall be enforceable pursuant to the terms and provisions of the Loan Agreement.

(b) Pursuant to § 11-57-205, C.R.S., the Board hereby delegates to the President of the District, or in the absence of the President the Vice-President of the District, for a period of 30 days from the date of adoption of this Resolution, the authority to determine and set forth in the Loan Agreement the following:

- (i) the rate of interest on the 2011 Note;
- (ii) the conditions on which and the price at which the 2011 Note may be redeemed before maturity;
- (iii) the existence and amount of any reserve fund;
- (iv) date on which the 2011 Note will be issued;
- (v) the aggregate principal amount of the 2011 Note;
- (vi) the principal amount of the 2011 Note to be paid in each year; and
- (vii) the final terms of the Interest Rate Exchange Agreements.

(c) The authority delegated to in the preceding paragraph (b) of this Section shall be subject to the following parameters:

- (i) the final maturity date of the 2011 Note shall not exceed July 1, 2016;
- (ii) the aggregate principal amount of the 2011 Note shall not exceed \$130,920,000;
- (iii) the maximum net effective interest rate borne by the 2011 Note (which is to be adjusted in accordance with the Loan Agreement) shall not exceed 11.99%;
- (iv) the sale price of the 2011 Note shall be an amount not less than 100% of the aggregate principal amount of the 2011 Note; and
- (v) the fixed rate on the Interest Rate Exchange Agreements shall not exceed 4.50% per annum.

Section 4. Tax Covenants. It is hereby covenanted and agreed by the District that it will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the District and evidenced by the 2011 Note shall not be includible in gross

income for federal income tax purposes under the Code or any other valid provision of law. It is further covenanted and agreed that the District will not make, or permit to be made, any use of the original proceeds of the Loan Agreement, or of any moneys treated as proceeds of the Loan Agreement within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest evidenced by the 2011 Note under Section 103 of the Code and applicable regulations, rulings, and decisions.

Section 5. Costs and Expenses. All costs and expenses incurred in connection with the execution and delivery of the Loan Agreement and the issuance of the 2011 Note shall be paid either from the proceeds of the 2011 Note or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 6. Various Findings, Determinations, Declarations and Covenants. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants as follows:

(a) The Board specifically elects to apply the provisions of the Supplemental Public Securities Act to the 2011 Note and the Interest Rate Exchange Agreements as provided in § 11-57-204, C.R.S.

(b) In accordance with § 11-56-104, C.R.S., the refunding of the Series 2008 Bonds will enable the District to (i) modify or eliminate restrictive contractual limitations appertaining to outstanding obligations, to the incurring of additional indebtedness or obligations, or to any system, facility, or improvement appertaining thereto or (ii) reduce the total principal and interest payable on such obligations or the principal and interest payable thereon in any particular year or years, or effecting other economies.

(c) Subject to the execution and delivery of the Loan Agreement by all parties to the agreement and the funding of the amounts set forth Section 2.03 thereof, the District hereby exercises its option to redeem the Series 2008 Bonds on the earliest permissible date under the 2008 Indenture at a redemption price equal to the par amount thereof plus accrued interest to the date of redemption. The Board hereby directs the Trustee to take all actions necessary to provide for the optional call the Series 2008 Bonds as required pursuant to the 2008 Indenture and to take such action as is necessary for the redemption of the Series 2008 Bonds in accordance with the instruction of any officer of the District.

(d) The Board shall use its best efforts to refinance the principal due on the 2011 Note prior to the Maturity Date established in the Loan Agreement. For such purpose, the Board will preserve the Election voter approval which may be necessary to effect the refinancing. It is the intent of the Board to make such findings, determinations, declarations and covenants as may be necessary to qualify the intended refinancing as a "proposed public security" within the meaning of § 11-59.3-102(1)(b), C.R.S.

(e) After giving consideration to the savings and debt management benefits to the citizens of the District, the District finds that entering into the Interest Rate Exchange Agreements is in the best interests of the District.

Section 7. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the District's obligations under the 2011 Note and the Interest Rate Exchange Agreements as provided herein, in the Loan Agreement and in the Custodial Agreement shall be governed by § 11-57-208 of the Supplemental Act, this Resolution, the Loan Agreement and the Custodial Agreement. The revenues pledged for the payment of the 2011 Note and the Interest Rate Exchange Agreements, as received by or otherwise credited to the District or the Custodian, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Loan Agreement and in the Custodial Agreement shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 8. No Recourse Against Officers and Agents. Pursuant to § 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the 2011 Note. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise.

Section 9. Conclusive Recital. Pursuant to § 11-57-210 of the Supplemental Act, the 2011 Note shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the 2011 Note after its delivery for value.

Section 10. Limitation of Actions. Pursuant to § 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the 2011 Note shall be commenced more than thirty days after the authorization of such securities.

Section 11. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the 2011 Note, or the execution of any documents in connection with the 2011 Note, are hereby ratified, approved, and confirmed.

Section 12. Resolution Irrepealable. After the 2011 Note has been issued, this Resolution shall constitute a contract between the Lenders and the District and shall be and remain irrepealable until the 2011 Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 13. Amendment of Resolution. The amendment of this Resolution by the Board is subject to the terms and conditions of the Loan Agreement and the Interest Rate Exchange Agreements.

Section 14. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

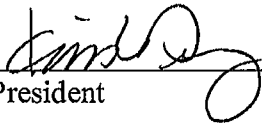
Section 15. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.


ADOPTED AND APPROVED this 19th day of May, 2011.

CENTERRA METROPOLITAN DISTRICT
NO. 1

[SEAL]

By _____
President

ATTEST:

By _____
Secretary

[Signature page to 2011 Note Resolution]

Thereupon, Director Hardy moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Hill, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Kim Perry
Jay Hardy
Doug Hill
Josh Kane
Tom Hall

No Director voted NAY and no Director abstained from voting.

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

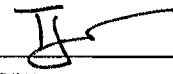
Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 1)

I, Tom Hall, Secretary of Centerra Metropolitan District No. 1, City of Loveland, Larimer County, Colorado, do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 9, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the authorization and approval of the execution of certain documents in connection with a loan in an aggregate committed loan amount up to \$130,920,000, adopted at a special meeting of the Board held at offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday the 19th day of May, 2010, at the hour of 11:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the office of the Clerk and Recorder of the City of Loveland, Colorado, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of May, 2011.

[SEAL]



Secretary

CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF
CENTERRA METROPOLITAN DISTRICT NO. 2
CITY OF LOVELAND
LARIMER COUNTY, COLORADO

Relating to a Resolution Approving the Form and Authorizing the Execution of Certain Documents in Connection with the Issuance of a Promissory Note to Evidence a Committed Loan Amount of \$130,920,000

Adopted on May 19, 2011

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
COUNTY OF LARIMER)
CITY OF LOVELAND) ss.
CENTERRA METROPOLITAN DISTRICT NO. 2)

The Board of Directors of Centerra Metropolitan District No. 2, City of Loveland, Larimer County, Colorado, met in special session at the offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday, the 19th day of May, 2011, at the hour of 11:00 a.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Directors present:

Kim Perry	President
Jay Hardy	Vice President & Assistant Secretary
Doug Hill	Treasurer & Assistant Secretary
Josh Kane	Assistant Secretary/Treasurer
Tom Hall	Secretary
Directors absent:	none

Also present:

General Counsel:	Alan Pogue, Esq. Icenogle Seaver Pogue, P.C.
Bond Counsel:	Tom Peltz, Esq. Kutak Rock LLP
District Finance Director:	Peggy Dowswell Pinnacle Consulting Group, INC.

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Centerra Metropolitan District No. 2, City of Loveland, Larimer County, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 et seq. of the Colorado Revised Statutes, as amended ("C.R.S."); and

WHEREAS, there has been presented to the Board of Directors of the District (the "Board") substantially final copies of, among other things, the Loan Agreement (the "Loan Agreement"), dated as of the Closing Date (as defined in the Loan Agreement), and related Fee Letter (the "Fee Letter") between (i) Centerra Metropolitan District No. 1, as Borrower (the "Service District"), (ii) the District, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4 and Centerra Metropolitan District No. 5, (iii) Compass Bank, as Syndication Agent, (iv) U.S. Bank National Association, as Administrative Agent, and (v) BOKF, N.A. d/b/a Colorado State Bank & Trust, successor to Colorado State Bank & Trust, Vectra Bank and Colorado Business Bank, as other Lenders; all capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings assigned in Article I of the Loan Agreement; and

WHEREAS, the District was formed pursuant to the Service Plan and was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District, including sanitation, water, street, safety protection, public transportation, mosquito control, television relay and translation, park and recreation, and fire protection facilities and services, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and providing for the maintenance and operation of such improvements, all in accordance with Title 32, C.R.S.; and

WHEREAS, at an election of the qualified electors of the Service District, duly called and held on Tuesday, May 4, 2004 (the "Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, revenue indebtedness; and

WHEREAS, the Service District has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of \$110,920,000 (the "Series 2008 Bonds") to refund outstanding bonds and to acquire, construct, relocate, install, complete and otherwise provide for improvements and facilities as contemplated in the Service Plan and the Master Financing Agreement, the debt for which was approved at the Election, which Series 2008 Bonds were issued pursuant to an Indenture of Trust dated as of March 1, 2008 between the Service District and UMB Bank, n.a. (as successor in interest to American National Bank), as trustee thereunder; and

WHEREAS, the Service District has determined that it is in its best interest that the Series 2008 Bonds be refunded and that the Service District fund additional costs of the Project (which includes the payment and cancellation of the Series 2008 Bonds, the funding of a reserve fund, the financing of additional public improvements and refinancing of existing debt

obligations incurred to acquire or construct public improvements and the payment of certain costs of issuance), and that for such purpose the Service District shall, pursuant to the Loan Agreement, incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, in order to provide for certain of the Pledged Revenue, it is anticipated that the Service District, the District, the Administrative Agent and the Custodian will enter into a Revised and Restated Capital Pledge Agreement dated as of Closing Date (the "Capital Pledge Agreement"); and

WHEREAS, the District has previously entered into an Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy dated March 1, 2008 (the "Original District No. 4 IGA"), and in connection with the issuance of the 2011 Note it is anticipated that the District will enter into a First Amendment to the Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy (together with the Original District No. 4 IGA, the "District No. 4, IGA"), among the Service District, the District and District No. 4, establishing the right of the District to impose the Required Mill Levy in accordance with the Capital Pledge Agreement prior to the imposition of any mill levy by the District No. 4; and

WHEREAS, in addition to this Resolution, the Board has been presented with substantially final drafts of the following documents: (i) the Loan Agreement; (ii) the Fee Letter; (iii) the Capital Pledge Agreement and (iv) the District No. 4 IGA (collectively, the "Authorizing Documents"); and

WHEREAS, the Board desires to approve the form of and authorize the execution of the Authorizing Documents so that the Service District may issue the 2011 Note;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 2, CITY OF LOVELAND, LARIMER COUNTY, COLORADO:

Section 1. Approval and Authorization of Authorizing Documents.

(a) The Authorizing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Authorizing Documents in the form of such documents presented at or prior to this meeting. The President of the District and the Secretary of the District, or the Assistant Secretary in the Secretary's absence, are hereby authorized and directed to execute the Authorizing Documents and to affix the seal of the District thereto, and the President of the District, Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to satisfy the conditions to closing set forth in Section 3.01 of the Loan Agreement and to issue the 2011 Note. The

Authorizing Documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, such approval shall be evidenced by their execution thereof. Additionally, to the extent any Financing Documents, as defined in the Loan Agreement, were executed prior to the date hereof, said execution is hereby ratified and affirmed.

(b) Copies of all of the Authorizing Documents shall be delivered, filed, and recorded as provided therein. Upon execution of the Authorizing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

(c) The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the 2011 Note not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

(d) The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the 2011 Note and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

Section 2. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues as it relates to the Pledged Revenues to secure or pay the 2011 Note and the Interest Rate Exchange Agreements, as provided in the Capital Pledge Agreement, the Custodial Agreement and the Loan Agreement, shall be governed by § 11-57-208 of the Supplemental Public Securities Act, this Resolution, the Capital Pledge Agreement, the Custodial Agreement and the Loan Agreement. Such revenues pledged for the payment of the 2011 Note and the Interest Rate Exchange Agreements, as received by or otherwise credited to the Service District or the Custodian, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the 2011 Note and the Interest Rate Exchange Agreements, and the obligation to perform the contractual provisions made herein and in the Loan Agreement, the Capital Pledge Agreement and the Custodial Agreement shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 3. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the 2011 Note, or the execution any documents in connection with the 2011 Note, are hereby ratified, approved, and confirmed.

Section 4. Resolution Irrepealable. After the 2011 Note has been issued, this Resolution shall constitute a contract between the Lenders and the District and shall be and remain irrepealable until the 2011 Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 5. Amendment of Resolution. The amendment of this Resolution by the Board is subject to the terms and conditions of the Loan Agreement.

Section 6. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 7. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 8. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

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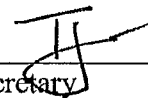
ADOPTED AND APPROVED this 19th day of May, 2011.

CENTERRA METROPOLITAN DISTRICT
NO. 2

[SEAL]

By 
President

ATTEST:

By 
Secretary

[Signature page to 2011 Note Resolution District 2]

Thereupon, Director Hardy moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Hill, put to a vote, and carried on the following recorded vote:

Those voting AYE:	Kim Perry
	Jay Hardy
	Doug Hill
	Josh Kane
	Tom Hall

No Director voted NAY and no Director abstained from voting.

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 2)

I, Tom Hall, Secretary of Centerra Metropolitan District No. 2, City of Loveland, Larimer County, Colorado, do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 4, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the authorization and approval of the execution of certain documents in connection with a loan in an aggregate committed loan amount up to \$130,920,000, adopted at a special meeting of the Board held at offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday the 19th day of May, 2011, at the hour of 11:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the office of the Clerk and Recorder of the City of Loveland, Colorado, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of May, 2011.

[SEAL]



Secretary

[Signature page to 2011 Note Resolution District 2]

CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF
CENTERRA METROPOLITAN DISTRICT NO. 3
CITY OF LOVELAND
LARIMER COUNTY, COLORADO

Relating to a Resolution Approving the Form and Authorizing the Execution of Certain Documents in Connection with the Issuance of a Promissory Note to Evidence a Committed Loan Amount of \$130,920,000

Adopted on May 19, 2011

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
COUNTY OF LARIMER)
CITY OF LOVELAND) ss.
CENTERRA METROPOLITAN DISTRICT NO. 3)

The Board of Directors of Centerra Metropolitan District No. 3, City of Loveland, Larimer County, Colorado, met in special session at the offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday, the 19th day of May, 2011, at the hour of 11:00 a.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Directors present:

Kim Perry	President
Jay Hardy	Vice President & Assistant Secretary
Doug Hill	Treasurer & Assistant Secretary
Josh Kane	Assistant Secretary/Treasurer
Tom Hall	Secretary
Directors absent:	none

Also present:

General Counsel:	Alan Pogue, Esq. Icenogle Seaver Pogue, P.C.
Bond Counsel:	Tom Peltz, Esq. Kutak Rock LLP
District Finance Director:	Peggy Dowswell Pinnacle Consulting Group, INC.

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Centerra Metropolitan District No. 3, City of Loveland, Larimer County, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 et seq. of the Colorado Revised Statutes, as amended ("C.R.S."); and

WHEREAS, there has been presented to the Board of Directors of the District (the "Board") substantially final copies of, among other things, the Loan Agreement (the "Loan Agreement"), dated as of the Closing Date (as defined in the Loan Agreement), and related Fee Letters (the "Fee Letter") between (i) Centerra Metropolitan District No. 1, as Borrower (the "Service District"), (ii) the District, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 4 and Centerra Metropolitan District No. 5, (iii) Compass Bank, as Syndication Agent, (iv) U.S. Bank National Association, as Administrative Agent, and (v) BOKF, N.A. d/b/a Colorado State Bank & Trust, successor to Colorado State Bank & Trust, N.A., Vectra Bank and Colorado Business Bank, as other Lenders; all capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings assigned in Article I of the Loan Agreement; and

WHEREAS, the District was formed pursuant to the Service Plan and was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District, including sanitation, water, street, safety protection, public transportation, mosquito control, television relay and translation, park and recreation, and fire protection facilities and services, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and providing for the maintenance and operation of such improvements, all in accordance with Title 32, C.R.S.; and

WHEREAS, at an election of the qualified electors of the Service District, duly called and held on Tuesday, May 4, 2004 (the "Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, revenue indebtedness; and

WHEREAS, the Service District has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of \$110,920,000 (the "Series 2008 Bonds") to refund outstanding bonds and to acquire, construct, relocate, install, complete and otherwise provide for improvements and facilities as contemplated in the Service Plan and the Master Financing Agreement, the debt for which was approved at the Election, which Series 2008 Bonds were issued pursuant to an Indenture of Trust dated as of March 1, 2008 between the Service District and UMB Bank, n.a. (as successor in interest to American National Bank), as trustee thereunder; and

WHEREAS, the Service District has determined that it is in its best interest that the Series 2008 Bonds be refunded and that the Service District fund additional costs of the Project (which includes the payment and cancellation of the Series 2008 Bonds, the funding of a reserve fund, the financing of additional public improvements and refinancing of existing debt

obligations incurred to acquire or construct public improvements and the payment of certain costs of issuance), and that for such purpose the Service District shall, pursuant to the Loan Agreement, incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, the District has previously entered into an Intergovernmental Agreement Between Centerra Metropolitan District No. 1 and Centerra Metropolitan District No. 3 Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement dated as of July 29, 2004, as amended pursuant to the First Amendment to Intergovernmental Agreement Between Centerra Metropolitan District No. 1 and Centerra Metropolitan District No. 3 Concerning the Payment of Funds Required by the Centerra Master Financing and Intergovernmental Agreement dated as of March 1, 2008 (the "District No. 3 Intergovernmental Agreement"), pursuant to which the District pledges certain revenues to the Service District which constitute a portion of the Pledged Revenue under the Loan Agreement; and

WHEREAS, in addition to this Resolution, the Board has been presented with substantially final drafts of the following documents: (i) the Loan Agreement; and (ii) the Fee Letter (collectively, the "Authorizing Documents"); and

WHEREAS, the Board desires to approve the form of and authorize the execution of the Authorizing Documents so that the Service District may issue the 2011 Note;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 3, CITY OF LOVELAND, LARIMER COUNTY, COLORADO:

Section 1. Approval and Authorization of Authorizing Documents.

(a) The Authorizing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Authorizing Documents in the form of such documents presented at or prior to this meeting. The President of the District and the Secretary of the District, or the Assistant Secretary in the Secretary's absence, are hereby authorized and directed to execute the Authorizing Documents and to affix the seal of the District thereto, and the President of the District, Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to satisfy the conditions to closing set forth in Section 3.01 of the Loan Agreement and to issue the 2011 Note. The Authorizing Documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, such approval shall be evidenced by their execution thereof. Additionally, to the extent any Financing Documents, as defined in the Loan Agreement, were executed prior to the date hereof, said execution is hereby ratified and affirmed.

(b) Copies of all of the Authorizing Documents shall be delivered, filed, and recorded as provided therein. Upon execution of the Authorizing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

(c) The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the 2011 Note not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

(d) The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the 2011 Note and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof

Section 2. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues as it relates to the Residential Contribution to secure or pay the 2011 Note and the Interest Rate Exchange Agreements as provided in the District No. 3 Intergovernmental Agreement, the Custodial Agreement and the Loan Agreement shall be governed by § 11-57-208 of the Supplemental Public Securities Act, this Resolution, District No. 3 Intergovernmental Agreement, the Custodial Agreement and the Loan Agreement. Such revenues pledged for the payment of the 2011 Note and the Interest Rate Exchange Agreements, as received by or otherwise credited to the Service District or the Custodian, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the 2011 Note and the Interest Rate Exchange Agreements, and the obligation to perform the contractual provisions made herein, in the Loan Agreement, the Custodial Agreement and District No. 3 Intergovernmental Agreement shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 3. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the 2011 Note, or the execution any documents in connection with the 2011 Note, are hereby ratified, approved, and confirmed.

Section 4. Resolution Irrepealable. After the 2011 Note has been issued, this Resolution shall constitute a contract between the Lenders and the District and shall be and remain irrepealable until the 2011 Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 5. Amendment of Resolution. The amendment of this Resolution by the Board is subject to the terms and conditions of the Loan Agreement.

Section 6. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

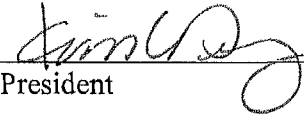
Section 7. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 8. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 19th day of May, 2011.

CENTERRA METROPOLITAN DISTRICT
NO. 3

[SEAL]

By _____
President

ATTEST:

By _____
Secretary

[Signature page to 2011 Note Resolution District 3]

Thereupon, Director Hardy moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Hill, put to a vote, and carried on the following recorded vote:

Those voting AYE:	Kim Perry
	Jay Hardy
	Doug Hill
	Josh Kane
	Tom Hall

No Director voted NAY and no Director abstained from voting.

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 3)

I, Tom Hall, Secretary of Centerra Metropolitan District No. 3, City of Loveland, Larimer County, Colorado, do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 3, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the authorization and approval of the execution of certain documents in connection with a loan in an aggregate committed loan amount up to \$130,920,000, adopted at a special meeting of the Board held at offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday the 19th day of May, 2011, at the hour of 11:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the office of the Clerk and Recorder of the City of Loveland, Colorado, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of May, 2011.

[SEAL]



Secretary

[Signature page to 2011 Note Resolution District 3]

CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF
CENTERRA METROPOLITAN DISTRICT NO. 4
CITY OF LOVELAND
LARIMER COUNTY, COLORADO

Relating to a Resolution Approving the Form and Authorizing the Execution of Certain Documents in Connection with the Issuance of a Promissory Note to Evidence a Committed Loan Amount of \$130,920,000

Adopted on May 19, 2011

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
COUNTY OF LARIMER)
CITY OF LOVELAND) ss.
CENTERRA METROPOLITAN DISTRICT NO. 4)

The Board of Directors of Centerra Metropolitan District No. 4, City of Loveland, Larimer County, Colorado, met in special session at the offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday, the 19th day of May, 2011, at the hour of 11:00 a.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Directors present:

Kim Perry

Jay Hardy

Doug Hill

Josh Kane

Tom Hall

Directors absent:

President

Vice President & Assistant Secretary

Treasurer & Assistant Secretary

Assistant Secretary/Treasurer

Secretary

none

Also present:

General Counsel:

Alan Pogue, Esq.

Icenogle Seaver Pogue, P.C.

Bond Counsel:

Tom Peltz, Esq.

Kutak Rock LLP

District Finance Director:

Peggy Dowswell

Pinnacle Consulting Group, INC.

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Centerra Metropolitan District No. 4, City of Loveland, Larimer County, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 et seq. of the Colorado Revised Statutes, as amended ("C.R.S."); and

WHEREAS, there has been presented to the Board of Directors of the District (the "Board") substantially final copies of, among other things, the Loan Agreement (the "Loan Agreement"), dated as of the Closing Date (as defined in the Loan Agreement), and related Fee Letter (the "Fee Letter") between (i) Centerra Metropolitan District No. 1, as Borrower (the "Service District"), (ii) the District, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3 and Centerra Metropolitan District No. 5, (iii) Compass Bank, as Syndication Agent, (iv) U.S. Bank National Association, as Administrative Agent, and (v) Colorado State Bank & Trust, Vectra Bank and Colorado Business Bank, as other Lenders; all capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings assigned in Article I of the Loan Agreement; and

WHEREAS, the District was formed pursuant to the Service Plan and was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District, including sanitation, water, street, safety protection, public transportation, mosquito control, television relay and translation, park and recreation, and fire protection facilities and services, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and providing for the maintenance and operation of such improvements, all in accordance with Title 32, C.R.S.; and

WHEREAS, at an election of the qualified electors of the Service District, duly called and held on Tuesday, May 4, 2004 (the "Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, revenue indebtedness; and

WHEREAS, the Service District has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of \$110,920,000 (the "Series 2008 Bonds") to refund outstanding bonds and to acquire, construct, relocate, install, complete and otherwise provide for improvements and facilities as contemplated in the Service Plan and the Master Financing Agreement, the debt for which was approved at the Election, which Series 2008 Bonds were issued pursuant to an Indenture of Trust dated as of March 1, 2008 between the Service District and UMB Bank, n.a. (as successor in interest to American National Bank), as trustee thereunder; and

WHEREAS, the Service District has determined that it is in its best interest that the Series 2008 Bonds be refunded and that the Service District fund additional costs of the Project (which includes the payment and cancellation of the Series 2008 Bonds, the funding of a reserve fund, the financing of additional public improvements and refinancing of existing debt obligations incurred to acquire or construct public improvements and the payment of certain

costs of issuance), and that for such purpose the Service District shall, pursuant to the Loan Agreement, incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, the District has previously entered into an Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy dated March 1, 2008 (the "Original District No. 4 IGA"), and in connection with the issuance of the 2011 Note it is anticipated that the District will enter into a First Amendment to the Intergovernmental Agreement Among Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 Concerning Certification of Mill Levy (together with the Original District No. 4 IGA, the "District No. 4, IGA"), among the Service District, the District No. 2 and the District, establishing the right of the District No. 2 to impose the Required Mill Levy in accordance with the Capital Pledge Agreement prior to the imposition of any mill levy by the District; and

WHEREAS, in addition to this Resolution, the Board has been presented with substantially final drafts of the following documents: (i) the Loan Agreement; (ii) the Fee Letter; and (iii) the District No. 4 IGA (collectively, the "Authorizing Documents"); and

WHEREAS, the Board desires to approve the form of and authorize the execution of the Authorizing Documents so that the Service District may issue the 2011 Note;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 4, CITY OF LOVELAND, LARIMER COUNTY, COLORADO:

Section 1. Approval and Authorization of Authorizing Documents.

(a) The Authorizing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Authorizing Documents in the form of such documents presented at or prior to this meeting. The President of the District and the Secretary of the District, or the Assistant Secretary in the Secretary's absence, are hereby authorized and directed to execute the Authorizing Documents and to affix the seal of the District thereto, and the President of the District, Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to satisfy the conditions to closing set forth in Section 3.01 of the Loan Agreement and to issue the 2011 Note. The Authorizing Documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, such approval shall be evidenced by their execution thereof. Additionally, to the extent any Financing Documents, as defined in the Loan Agreement, were executed prior to the date hereof, said execution is hereby ratified and affirmed.

(b) Copies of all of the Authorizing Documents shall be delivered, filed, and recorded as provided therein. Upon execution of the Authorizing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

(c) The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the 2011 Note not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

(d) The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the 2011 Note and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

Section 2. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the 2011 Note, or the execution any documents in connection with the 2011 Note, are hereby ratified, approved, and confirmed.

Section 3. Resolution Irrepealable. After the 2011 Note has been issued, this Resolution shall constitute a contract between the Lenders and the District and shall be and remain irrepealable until the 2011 Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 4. Amendment of Resolution. The amendment of this Resolution by the Board is subject to the terms and conditions of the Loan Agreement.

Section 5. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

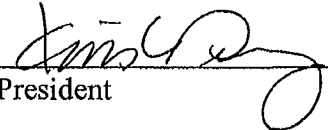
Section 6. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

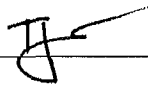
ADOPTED AND APPROVED this 19th day of May, 2011.

CENTERRA METROPOLITAN DISTRICT
NO. 4

[SEAL]

By _____
President

ATTEST:

By _____
Secretary

[Signature page to 2011 Note Resolution District 4]

Thereupon, Director Hardy moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Hill, put to a vote, and carried on the following recorded vote:

Those voting AYE:	Kim Perry
	Jay Hardy
	Doug Hill
	Josh Kane
	Tom Hall

No Director voted NAY and no Director abstained from voting.

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.


Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 4)

I, Tom Hall, Secretary of Centerra Metropolitan District No. 4, City of Loveland, Larimer County, Colorado, do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 3, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the authorization and approval of the execution of certain documents in connection with a loan in an aggregate committed loan amount up to \$130,920,000, adopted at a special meeting of the Board held at offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday the 19th day of May, 2011, at the hour of 11:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the office of the Clerk and Recorder of the City of Loveland, Colorado, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of May, 2011.

[SEAL]



Secretary

[Signature page to 2011 Note Resolution District 4]

**CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF**

**CENTERRA METROPOLITAN DISTRICT NO. 5
CITY OF LOVELAND
LARIMER COUNTY, COLORADO**

Relating to a Resolution Approving the Form and Authorizing the Execution of Certain Documents in Connection with the Issuance of a Promissory Note to Evidence a Committed Loan Amount of \$130,920,000

Adopted on May 19, 2011

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
COUNTY OF LARIMER)
CITY OF LOVELAND) ss.
CENTERRA METROPOLITAN DISTRICT NO. 5)

The Board of Directors of Centerra Metropolitan District No. 5, City of Loveland, Larimer County, Colorado, met in special session at the offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday, the 19th day of May, 2011, at the hour of 11:00 a.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Directors present:

Kim Perry

Jay Hardy

Doug Hill

Josh Kane

Tom Hall

Directors absent:

President

Vice President & Assistant Secretary

Treasurer & Assistant Secretary

Assistant Secretary/Treasurer

Secretary

none

Also present:

General Counsel:

Alan Pogue, Esq.

Icenogle Seaver Pogue, P.C.

Bond Counsel:

Tom Peltz, Esq.

Kutak Rock LLP

District Finance Director:

Peggy Dowswell

Pinnacle Consulting Group, INC.

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Centerra Metropolitan District No. 5, City of Loveland, Larimer County, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 et seq. of the Colorado Revised Statutes, as amended ("C.R.S."); and

WHEREAS, there has been presented to the Board of Directors of the District (the "Board") substantially final copies of, among other things, the Loan Agreement (the "Loan Agreement"), dated as of the Closing Date (as defined in the Loan Agreement), and related Fee Letter (the "Fee Letter") between (i) Centerra Metropolitan District No. 1, as Borrower (the "Service District"), (ii) the District, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3 and Centerra Metropolitan District No. 4, (iii) Compass Bank, as Syndication Agent, (iv) U.S. Bank National Association, as Administrative Agent, and (v) Colorado State Bank & Trust, Vectra Bank and Colorado Business Bank, as other Lenders; all capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings assigned in Article I of the Loan Agreement; and

WHEREAS, the District was formed pursuant to the Service Plan and was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District, including sanitation, water, street, safety protection, public transportation, mosquito control, television relay and translation, park and recreation, and fire protection facilities and services, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and providing for the maintenance and operation of such improvements, all in accordance with Title 32, C.R.S.; and

WHEREAS, at an election of the qualified electors of the Service District, duly called and held on Tuesday, May 4, 2004 (the "Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, revenue indebtedness; and

WHEREAS, the Service District has previously issued its Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of \$110,920,000 (the "Series 2008 Bonds") to refund outstanding bonds and to acquire, construct, relocate, install, complete and otherwise provide for improvements and facilities as contemplated in the Service Plan and the Master Financing Agreement, the debt for which was approved at the Election, which Series 2008 Bonds were issued pursuant to an Indenture of Trust dated as of March 1, 2008 between the Service District and UMB Bank, n.a. (as successor in interest to American National Bank), as trustee thereunder; and

WHEREAS, the Service District has determined that it is in its best interest that the Series 2008 Bonds be refunded and that the Service District fund additional costs of the Project (which includes the payment and cancellation of the Series 2008 Bonds, the funding of a reserve fund, the financing of additional public improvements and refinancing of existing debt obligations incurred to acquire or construct public improvements and the payment of certain

costs of issuance), and that for such purpose the Service District shall, pursuant to the Loan Agreement, incur indebtedness in the form of a direct loan and issue a promissory note as evidence of such indebtedness in the maximum principal amount of up to \$130,920,000 (the "2011 Note"); and

WHEREAS, in addition to this Resolution, the Board has been presented with substantially final drafts of the following documents: (i) the Loan Agreement; and (ii) the Fee Letter (collectively, the "Authorizing Documents"); and

WHEREAS, the Board desires to approve the form of and authorize the execution of the Authorizing Documents so that the Service District may issue the 2011 Note;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CENTERRA METROPOLITAN DISTRICT NO. 5, CITY OF LOVELAND, LARIMER COUNTY, COLORADO:

Section 1. Approval and Authorization of Authorizing Documents.

(a) The Authorizing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Authorizing Documents in the form of such documents presented at or prior to this meeting. The President of the District and the Secretary of the District, or the Assistant Secretary in the Secretary's absence, are hereby authorized and directed to execute the Authorizing Documents and to affix the seal of the District thereto, and the President of the District, Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to satisfy the conditions to closing set forth in Section 3.01 of the Loan Agreement and to issue the 2011 Note. The Authorizing Documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, such approval shall be evidenced by their execution thereof. Additionally, to the extent any Financing Documents, as defined in the Loan Agreement, were executed prior to the date hereof, said execution is hereby ratified and affirmed.

(b) Copies of all of the Authorizing Documents shall be delivered, filed, and recorded as provided therein. Upon execution of the Authorizing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

(c) The execution of any instrument by the President of the District, Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the 2011 Note not inconsistent herewith shall be conclusive evidence

of the approval by the District of such instrument in accordance with the terms thereof and hereof.

(d) The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the 2011 Note and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

Section 2. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the 2011 Note, or the execution any documents in connection with the 2011 Note, are hereby ratified, approved, and confirmed.

Section 3. Resolution Irrepealable. After the 2011 Note has been issued, this Resolution shall constitute a contract between the Lenders and the District and shall be and remain irrepealable until the 2011 Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 4. Amendment of Resolution. The amendment of this Resolution by the Board is subject to the terms and conditions of the Loan Agreement.

Section 5. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

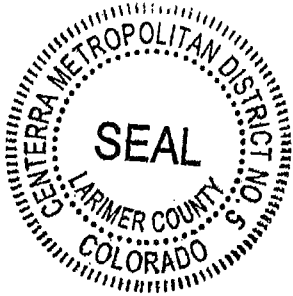
Section 6. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 19th day of May, 2011.

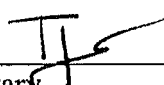
CENTERRA METROPOLITAN DISTRICT
NO. 5

[SEAL]



By 
President

ATTEST:

By 
Secretary

[Signature page to 2011 Note Resolution District 5]

Thereupon, Director Hardy moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Hill, put to a vote, and carried on the following recorded vote:

Those voting AYE:	Kim Perry
	Jay Hardy
	Doug Hill
	Josh Kane
	Tom Hall

No Director voted NAY and no Director abstained from voting.

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

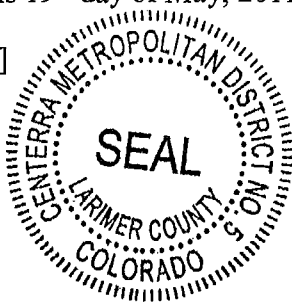
Thereupon, after consideration of other business before the Board, the meeting was adjourned.


STATE OF COLORADO)
COUNTY OF LARIMER) ss.
CITY OF LOVELAND)
CENTERRA METROPOLITAN DISTRICT NO. 5)

I, Tom Hall, Secretary of Centerra Metropolitan District No. 5, City of Loveland, Larimer County, Colorado, do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 3, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the authorization and approval of the execution of certain documents in connection with a loan in an aggregate committed loan amount up to \$130,920,000, adopted at a special meeting of the Board held at offices of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado, on Thursday the 19th day of May, 2011, at the hour of 11:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the office of the Clerk and Recorder of the City of Loveland, Colorado, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of May, 2011.

[SEAL]





Secretary

[Signature page to 2011 Note Resolution District 5]



Accountant's Report

BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 1

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 1. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 1 for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 1.

A handwritten signature in black ink, appearing to read "Peggy Dowswell", is written over the printed name.

Peggy Dowswell, CPA
January 30, 2012

CENTERRA METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

1/30/12

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 9/30/11	ESTIMATED BUDGET 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ 762,446	\$ 477,518	\$ 878,541	\$ 878,541	\$ 971,741
REVENUE					
Service Fees, District no. 2	68,587	48,330	50,741	50,741	45,430
Specific ownership tax, District no. 2	262,632	194,435	184,292	245,723	253,034
Service Fees, District no. 5	-	14	57	83	86
Interest and Other income	7,835	5,969	2,121	5,969	4,859
URA Revenues (O&M)	1,339,650	1,051,038	1,049,000	1,049,000	1,068,119
Chapungu Revenue	5,450	2,000	450	2,500	2,500
Total revenue	1,684,154	1,301,786	1,286,661	1,354,016	1,374,027
Total funds available	2,446,600	1,779,304	2,165,202	2,232,557	2,345,768
EXPENDITURES					
Accounting and Financial Management	149,536	160,160	111,071	160,160	160,160
Audit	7,300	9,800	9,800	9,800	12,500
Director fees and payroll taxes	2,500	2,500	3,617	3,617	3,000
Election costs	-	-	-	-	2,500
Engineering & Other professional svcs	7,741	20,000	244	5,000	10,000
Insurance	21,632	22,600	21,146	21,146	29,000
Landscape maintenance & repairs	309,114	334,246	226,565	334,246	391,110
Hardscape maintenance	69,536	89,300	29,985	89,300	81,700
Snow removal, Sidewalk Sweeping, etc.	3,704	15,400	2,998	15,400	14,900
Chapungu Park	170,827	178,329	121,548	178,329	180,627
Legal	490,024	108,000	137,907	173,000	109,500
District management	134,138	144,870	72,924	144,870	144,870
Landscape operations mgmt	51,564	51,564	38,673	48,948	43,716
Utilities	64,983	70,000	63,472	70,000	75,000
Office, dues & Other	3,963	5,000	5,459	7,000	8,000
Tax Abatements	81,497	-	-	-	-
Contingency	-	122,000	-	-	100,000
Total expenditures	1,568,059	1,333,769	845,409	1,260,816	1,366,583
ENDING FUND BALANCE	\$ 878,541	\$ 445,535	\$ 1,319,793	\$ 971,741	\$ 979,185
COMPONENTS OF ENDING FUND BALANCE					
EMERGENCY RESERVE	\$ 50,370	\$ 39,100	\$ 38,600	\$ 40,600	\$ 41,200
REPLACEMENT RESERVE	100,000	200,000	200,000	200,000	300,000
UNRESERVED	728,171	206,435	1,081,193	731,141	637,985
ENDING FUND BALANCE	\$ 878,541	\$ 445,535	\$ 1,319,793	\$ 971,741	\$ 979,185

CENTERRA METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

1/30/12

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 9/30/11	AMENDED BUDGET 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ 9,230,394	\$ 10,118,708	\$ 9,413,039	\$ 9,413,039	\$ 9,416,502
REVENUE					
Service Fees, District 2	6,100	4,980	6,667	7,157	5,349
Service Fees, District no. 3	247,835	325	321	326	549
Investment and other income		25,297	4,781	6,500	9,417
URA Revenues (Debt Service)	7,744,970	8,713,329	4,624,355	8,822,329	8,959,409
PIF Revenues	83,772	87,372	65,529	87,372	455,050
Total revenue	8,082,677	8,831,302	4,701,653	8,923,684	9,429,774
TRANSFERS IN					
Capital Projects Fund	-	-	110,924,467	111,043,528	113,519
Total transfers in	-	-	110,924,467	111,043,528	113,519
Total funds available	17,313,071	18,950,010	125,039,159	129,380,251	18,959,795
EXPENDITURES					
City of Loveland collection fees	83,772	87,372	65,529	87,372	50,050
Remarketing and rating fees	149,507	149,900	65,139	65,139	-
Paying agent fees	5,500	12,000	2,750	5,500	5,500
Bond principal	660,000	2,000,000	110,920,000	113,470,000	2,650,000
Bond interest	4,344,634	4,257,400	3,766,559	5,216,973	6,394,526
Loan fees	-	-	53,032	123,835	219,722
Cost of issuance	40,820	-	-	-	-
LOC fees/Fronting fees	1,866,027	2,084,293	779,863	779,863	-
LOC Replacement	749,772	-	-	-	-
Contingency	-	700,000	-	100,000	100,000
Total expenditures	7,900,032	9,290,965	115,652,872	119,848,682	9,419,798
TRANSFERS OUT					
Capital Projects Fund	-	78,880	115,067	115,067	-
Total transfers out	-	78,880	115,067	115,067	-
Total expenditures and transfers out requiring appropriation	7,900,032	9,369,845	115,767,939	119,963,749	9,419,798
ENDING FUND BALANCE	\$ 9,413,039	\$ 9,580,166	\$ 9,271,220	\$ 9,416,502	\$ 9,539,997
DEBT SERVICE REQUIRED RESERVE	\$ 9,411,000	\$ 9,411,000	\$ 9,296,330	\$ 9,415,391	\$ 9,536,829

CENTERRA METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

1/30/12

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 9/30/11	AMENDED BUDGET 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ 11,732,711	\$ 2,126,021	\$ 5,079,177	\$ 5,079,177	\$ 502,353
REVENUE					
Investment income	7,395	3,500	527	1,000	502
PIF Revenues	-	-	-	1,145,000	-
Developer advance	40,975	-	24,665	24,665	-
Proceeds from developer note	35,396	-	-	-	-
Debt Proceeds	-	9,000,000	120,920,000	122,468,665	1,476,569
URA Revenue	2,500,000	-	-	-	-
Project funds transfer, I-25/Crossroads	-	396,000	-	-	-
City Capital reimbursement/cost sharing	376,103	-	-	-	-
Total revenue	2,959,869	9,399,500	120,945,192	123,639,330	1,477,071
TRANSFERS IN					
Debt Service Fund	-	78,880	115,067	115,067	-
Total transfers in	-	78,880	115,067	115,067	-
Total funds available	14,692,580	11,604,401	126,139,436	128,833,574	1,979,424
EXPENDITURES					
Legal	-	-	-	-	-
District Management	3,198	-	743	4,000	-
Project management	147,912	148,000	109,722	144,600	137,976
Bond issue costs	-	1,541,760	1,288,238	1,288,238	-
Engineering & Other Professional Svcs	-	20,000	-	22,250	40,000
Warranty costs	593	-	-	-	-
Capital outlay					
Bond Projects					
Park and recreation	48,160	-	-	-	-
Sanitary sewer and storm drainage	14,321	-	32,364	32,364	-
Water	40,800	-	-	-	-
Streets	9,050,682	1,500,000	1,610,764	2,007,600	-
TV Relay Improvements	-	-	-	60,000	-
Repayment of developer advance - Bonds	-	7,537,120	8,778,725	10,005,601	-
Repayment of developer advance - URA	-	-	2,500,000	2,500,000	-
Repayment of developer advance - City Reimb	190,952	-	-	-	-
Repayment of PIC Payable (Crossroads)	-	-	-	1,145,000	-
Developer Advanced Projects					
Waterline payment to City - Principal	105,947	74,679	74,679	74,679	-
Waterline payment to City - Interest	10,838	4,481	3,361	3,361	-
Contingency - Restricted	-	500,000	-	-	102,219
Contingency - Unrestricted	-	100,000	-	100,000	-
Total expenditures	9,613,403	11,426,039	14,398,596	17,387,693	280,195
TRANSFERS OUT					
Debt Service Fund	-	-	110,924,467	111,043,528	113,519
Total transfers out	-	-	110,924,467	111,043,528	113,519
Total expenditures and transfers out requiring appropriation	9,613,403	11,426,039	125,323,063	128,431,221	393,714
ENDING FUND BALANCE	\$ 5,079,177	\$ 178,362	\$ 816,373	\$ 402,353	\$ 1,585,711

CENTERRA METROPOLITAN DISTRICT NO. 1

2012 BUDGET MESSAGE

Centerra Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Service District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.2, No.3, No.4, and No.5 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, general and administrative expenses budgeted in the amount of \$1,366,583 are to be paid by URA Revenue, Service Fees received from Centerra Metropolitan District Nos. 2 – 5 by way of intergovernmental agreements, and interest totaling to a budgeted amount of \$1,374,027 in revenue.

In the Debt Service Fund, expenditures for principal, interest and other payments are related to the \$130,920,000 2011 Loan Agreement. Debt service will be paid largely with URA Revenue, PIF Revenue, and Service Fees received from Centerra Metropolitan District No. 2 by way of intergovernmental agreement and capital pledge agreements. Debt Service Fund expenditures are budgeted at \$9,419,798 with revenues budgeted at \$9,543,293. PIF Revenue is a public improvement fee (PIF) on all retail sales within the Commercial District. The PIF's are collected by the PIC and distributed to the District. PIF and URA Revenue are recognized as needed for operations and maintenance and debt service.

In the Capital Projects Fund, capital expenditures budgeted in the amount of \$393,744 are to be paid with loan proceeds and interest revenue.

Debt

During 2011, the District's Series 2008, Variable Rate Refunding and Improvement Bonds went into the 2011 Loan Agreement, issued June 8, 2011, in the amount of \$130,920,000. A portion of the 2011 Loan Agreement amount was issued as draw down debt. The debt has a maturity date of June 8, 2016 with principal payment of \$2,650,000 on December 1, 2012 and increasing annually thereafter.

Interest is payable quarterly.

The District entered into swap agreements with Royal Bank of Canada and Compass Bank/BBVA for the purpose of creating a synthetic fixed interest rate of 3.4600% per annum on \$110,920,000 and 3.5560% per annum on \$10,000,000.

Reserves

The Debt Service Reserve Fund Requirement is \$9,415,391. The District has set aside \$300,000 as a replacement reserve. The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2011, as defined under TABOR and holds the TABOR reserve for all 5 Districts.



Accountant's Report

BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 2

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 2. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 2 for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 2.

A handwritten signature in dark ink, appearing to read "Peggy Dowswell", is written over the printed name.

Peggy Dowswell, CPA
January 30, 2012

CENTERRA METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

1/30/12

Page 3

	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 9/30/11	AMENDED BUDGET 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes - Contractual Oblig	71,333	49,316	51,640	51,640	46,357
Property taxes - Debt Service	5,830	5,082	6,803	7,303	5,458
Specific ownership taxes - General	262,632	194,435	184,292	245,723	253,034
Investment income & Other	-	25,000	134	10,134	25,000
Total revenue	339,796	273,833	242,869	314,800	329,849
Total funds available	339,796	273,833	242,869	314,800	329,849
EXPENDITURES					
County Treasurer's fees - General	1,730	986	1,033	1,033	927
County Treasurer's fees - Debt Service	117	102	136	146	109
Payment of Services to District No. 1	69,603	48,330	50,741	50,741	45,430
Payment of Services to District No. 1 - S/O	262,632	194,435	184,292	245,723	253,034
Payment of Debt Service to District No. 1	5,713	4,980	6,667	7,157	5,349
Contingency	-	25,000	-	10,000	25,000
Total expenditures	339,796	273,833	242,869	314,800	329,849
Total expenditures and transfers out requiring appropriation	339,796	273,833	242,869	314,800	329,849
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

CENTERRA METROPOLITAN DISTRICT NO. 2

2012 BUDGET MESSAGE

Centerra Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Finance District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1, No.3, No.4, and No.5 ("Service and Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, with the exception of the County Treasurer's fees, all expenditures are related to the transfers to District No. 1 for overall operating costs and debt service as required by an intergovernmental agreement. The District adopted a mill levy of 42.600 mills which resulted in budgeted property tax revenue of \$46,357 and specific ownership tax revenue of \$253,034 for the purpose of paying service fees to District No. 1 and the DEBT ONLY Districts, Centerra MD No. 2 Bond and Centerra MD No. 2 Res Debt, adopted a mill levy of 6.655 mills and 35.000 mills, respectively, which resulted in budgeted property revenue of \$4,436 and \$1,112, respectively, for the purpose of paying debt obligation as discussed below under Debt.

Debt

The District has no outstanding debt. However, property tax revenues are pledged to District No. 1 through a Capital Pledge Agreement for the 2011 Loan Agreement.

Reserves

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between Centerra Metropolitan District Nos. 1-4. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 2. The emergency reserve related to their revenue stream is captured in Centerra Metropolitan District No. 1.



Accountant's Report

BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 3

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 3. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 3 for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 3.

A handwritten signature in black ink, appearing to read "Peggy Dowswell", is written over the printed name.

Peggy Dowswell, CPA
January 30, 2012

CENTERRA METROPOLITAN DISTRICT NO. 3

GENERAL FUND

FORECASTED 2012 BUDGET AS ADOPTED.

WITH 2010 ACTUAL AND 2011 ESTIMATED

For the Years Ended and Ending December 31,

1/30/12

Page 3

	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 9/30/11	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	333	312	312	312	527
Specific ownership tax	9	19	15	20	33
Investment & Other	-	100	-	-	100
Developer advance	-	-	-	-	-
Total revenue	342	431	327	332	660
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	342	431	327	332	660
EXPENDITURES					
County Treasurer's fees	7	6	6	6	11
Director fees	-	-	-	-	-
Payment for Debt to District No. 1	335	325	321	326	549
Miscellaneous	-	-	-	-	-
Contingency	-	100	-	-	100
Total expenditures	342	431	327	332	660
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	342	431	327	332	660
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

CENTERRA METROPOLITAN DISTRICT NO. 3

2012 BUDGET MESSAGE

Centerra Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Finance District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1 ("Service District"), No.2, No.4, and No.5 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

The District adopted a mill levy of 5.000 mills which resulted in budgeted property tax revenue of \$527 and specific ownership tax revenue of \$33 for the purpose of paying debt obligation as discussed below under Debt. The District's minimal administrative needs are being performed by the Service District.

Debt

The District has no outstanding debt. However, property tax revenues equal to 5.000 mills are pledged to District No. 1 through a Capital Pledge Agreement for the 2011 Loan Agreement.

Reserves

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between Centerra Metropolitan District Nos. 1-4. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 3. The emergency reserve related to their revenue stream is captured in Centerra Metropolitan District No. 1.



Accountant's Report

BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 4

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 4. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 4 for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 4.

A handwritten signature in black ink that reads "Peggy Dowswell". The signature is written in a cursive, flowing style.

Peggy Dowswell, CPA
January 30, 2012

CENTERRA METROPOLITAN DISTRICT NO. 4

GENERAL FUND

FORECASTED 2012 BUDGET AS ADOPTED

WITH 2010 ACTUAL AND 2011 ESTIMATED

For the Years Ended and Ending December 31,

1/30/12

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	ACTUAL 2010	ADOPTED BUDGET	ACTUAL 9/30/11	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	-	-	-	-	-
Specific ownership tax	-	-	-	-	-
Investment income	-	-	-	-	-
Developer advance	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Total revenue	-	-	-	-	-
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Accounting & District Administration	-	-	-	-	-
County Treasurer's fees	-	-	-	-	-
Director fees	-	-	-	-	-
Payment of Services to District No. 1	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total expenditures	-	-	-	-	-
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

CENTERRA METROPOLITAN DISTRICT NO. 4

2012 BUDGET MESSAGE

Centerra Metropolitan District No. 4 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Finance District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1 ("Service District"), No.2, No.3, and No.5 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2012 BUDGET STRATEGY

The District has budgeted \$0 in revenues and expenditures. However, the District's minimal administrative needs are being performed by the Service District.

Debt

The District has no outstanding debt.



Accountant's Report

BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 5

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 5. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 5 for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 5.

A handwritten signature in cursive script that reads "Peggy Dowswell".

Peggy Dowswell, CPA
January 30, 2012

CENTERRA METROPOLITAN DISTRICT NO. 5

GENERAL FUND

**FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED**

For the Years Ended and Ending December 31,

1/30/12

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	ACTUAL 2010	ADOPTED BUDGET	ACTUAL 9/30/11	AMENDED BUDGET 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	-	14	14	14	13
Specific ownership tax	-	-	54	69	73
Investment income	-	-	-	100	100
Developer advance	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Total revenue	-	14	68	183	186
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	-	14	68	183	186
EXPENDITURES					
Accounting & District Administration	-	-	-	-	-
County Treasurer's fees	-	0	0	0	0
Director fees	-	-	-	-	-
Payment of Services to District No. 1	-	14	68	83	86
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	100	100
Total expenditures	-	14	68	183	186
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	14	68	183	186
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

CENTERRA METROPOLITAN DISTRICT NO. 5

2012 BUDGET MESSAGE

Centerra Metropolitan District No.5 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1 ("Service District") and No.2, No.3, and No.4 ("Financing Districts"), this "Financing District" was organized to provide financing for the acquisition, construction and installation of street and roadway enhancements; enhanced street landscaping, signage, monuments, and lighting; safety protection; park and recreation improvements; and sanitation and storm drainage; and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, with the exception of the County Treasurer's fees, all expenditures are related to the transfers to the Service District for overall administrative and operating as required by an intergovernmental agreement. The District adopted a mill levy of 15.000 mills which resulted in budgeted property tax revenue of \$13 and specific ownership tax revenue of \$73.

Debt

The District has no outstanding debt.