

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TRAILMARK METROPOLITAN DISTRICT HELD

July 28, 2009

A special meeting of the Board of Directors of the TrailMark Metropolitan District (referred to hereafter as "Board") was held on Tuesday, July 28, 2009, at 6:30 p.m., at the TrailMark Learning Center, 9743 South Carr Way, Littleton, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Timothy N. Strunk
Sherman M. Steed
Jack A. Parsons
Karen A. Millspaugh

Absent was Director Chavez whose absence was excused.

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Cathy Noon; Community Resource Services ("CRS")
Dennis Rodriguez, Architect
Bruce O'Donnell, George K. Baum & Co., Investment Banker
Members of the Community

CALL TO ORDER

Director Strunk called the meeting to order at 6:32 p.m.

ADMINISTRATIVE ITEMS

Agenda: Mr. Meggers presented the Board with the proposed agenda. Following discussion, upon a motion by Director Millspaugh and a second by Director Parsons, the Board voted unanimously to approve the agenda as amended.

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CAPITAL IMPROVEMENTS

Community Center Design & Construction Management

Interviews: Mr. Rodriguez provided background on the RFP bid process to the residents in attendance and then reviewed the interviews for the design team conducted on Monday, July 27, 2009. A committee consisting of Mr. Rodriguez, Directors Steed & Milspaugh, and Mr. Meggers interviewed three firms who each provided a thirty minute presentation on their proposal and team members. The interview team used an evaluation form for each presentation and after careful consideration made recommendation of the firm Sink Combs Dethlefs to provide the design & construction management for the community center project. Following discussion, the Board concurred and instructed Mr. Meggers to move forward in contract negotiations with Sink Combs Dethlefs, said contract to be considered at the August 18, 2009 meeting.

Financial Options for the Community Center Project: Working in conjunction with Mr. Meggers, Mr. O'Donnell assessed several possible financing structures whereby the District could issue tax exempt bonds for the financing of the community center project. Mr. O'Donnell presented three strategies to the Board. Mr. Meggers presented a cash projection model as well. The Board and community members discussed with Mr. O'Donnell the various available options. The Board requested Mr. O'Donnell run his models with a project amount of \$2.4 million for the Board to review. Additionally, the Board asked Mr. O'Donnell to:

- Monitor interest rates and keep the Board informed;
- Provide updated financial models as requested;
- Pursue obtaining a rating for the District in hopes of securing lower interest rates.
- Explore and recommend financing alternatives that may be available through the American Recovery and Reinvestment Act, particularly Build America Bonds.

Director Strunk asked for a straw poll of the community members present on their preference for low taxes now, but a longer repayment period of the debt, or no reduction in the current tax level, but a shorter repayment period of the debt. A show of hands did not provide clear direction to the Board.

Bond Attorney to Draft Election Question: The Board reviewed a Letter of Engagement from bond counsel, Kutak Rock, LLP to provide bond election related services for the November 3, 2009 election. The scope of services to be included is outlined in the attached engagement letter and made a part of these minutes.

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The Board reviewed two sample ballot questions. Mr. Meggers and general counsel for the District will work with bond counsel regarding these questions from the Board. Following discussion, upon a motion made by Director Steed and a second by Director Millspaugh, the Board voted unanimously to engage Kutak Rock LLP for a sum not to exceed \$1,000.00.

FINANCIAL MATTERS

Review, Ratify and Approve Payment of Claims: Ms. Noon requested the Board consider ratification and payment of the claims. Director Steed moved the Board approve the payment of claims as presented. Upon second by Director Millspaugh, vote was taken and motion carried unanimously.

OTHER ITEMS

Board Policy Regarding Public Comment During Board Meetings. Discussion was held regarding public input during Board meetings. After discussion, the Board asked that a policy be drafted allocating thirty minutes for public comment at the beginning of every Board meeting with each speaker allowed a maximum of five minutes. Those wishing to talk will be asked to sign in so each speaker's time can be adjusted if needed to fit the 30 minute allowance. At the Board's discretion, an additional public comment period may also be allowed at the end of a meeting. The Board asked that a draft policy be available for their review at the August 18, 2009 Board meeting.

Unauthorized Use of TrailMark Logo: Director Steed provided a realtor advertisement showing use of the TrailMark logo. As the logo is trademarked and belongs to the District, unauthorized use is prohibited. The Board asked that Ms. Noon write to the realtor and ask that he cease use of the logo.

Board Policy Regarding Posting of Agendas: The Board discussed posting the agenda for each Board meeting and decided to continue the current requirement to post the "Notice of Meeting" in three physical locations within the District, but have the Agenda posted only on the District website, and referenced in the Notice of Meeting.

Approval of Minutes: After review of the July 14, 2009 minutes, a motion was made by Director Millspaugh, seconded by Director Steed and unanimously approved.

November Election format: Discussion was held on the preferred method of conducting the November election. The Board

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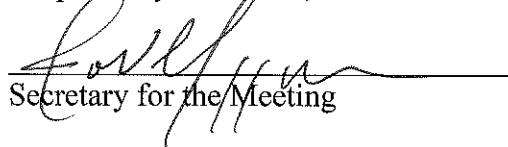
instructed CRS to provide costs and the pros/cons to having CRS conduct the election versus a coordinated election with Jefferson County.

Campaigning and Fair Campaign Practices Reporting Requirements: The Board reviewed two memoranda from Mr. Rowley addressing what action/ expenditures/ contribution the Board is allowed to take concerning elections as well as what reporting is necessary for Directors and candidates in a special district election.

ADJOURNMENT

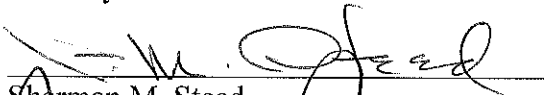
There being no further business to come before the Board, upon motion duly made by Director Steed and seconded by Director Parsons, the meeting was adjourned.

Respectfully submitted,

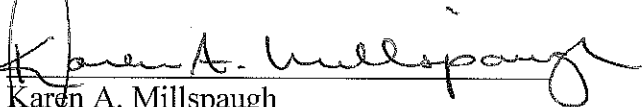

Secretary for the Meeting

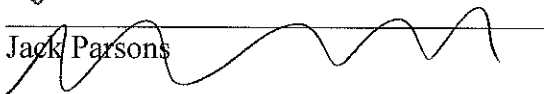
THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 28, 2009 MINUTES OF THE TRAILMARK METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Timothy N. Strunk


Sherman M. Steed


Jack A. Parsons


Karen A. Millspaugh


Jack Parsons

cn duplicate

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July 22, 2009

TrailMark Metropolitan District
c/o Joel Meggers
Community Resource Services of Colorado, LLC
3855 North Lewiston Street, Suite 140
Aurora, Colorado 80011

Re: TrailMark Metropolitan District

Dear Joel:

Thank you for your interest in engaging Kutak Rock LLP as Bond Counsel to TrailMark Metropolitan District (the "District") with regard to election matters and other issues related to future bond financings. This letter sets forth our understanding of that engagement.

As Bond Counsel, Kutak Rock LLP will provide all necessary and customary legal services traditionally performed by bond counsel, including:

1. Providing assistance and advice on all legal matters relating to the issuance of bonds, including review of District Service Plans and election questions;
2. Preparing all necessary documents for authorizing, securing the payment of and issuing bonds, including but not limited to bond resolutions, tax opinions, bond purchase agreements and closing documents, including all necessary filings with the Internal Revenue Service;
3. Upon satisfaction of all conditions precedent, delivering a legal opinion (the "Bond Counsel Opinion") as to each of the following matters: the right and power of the District to issue bonds, that the bonds are valid and binding obligations, that the sources for the repayment of the bonds have been properly secured, and that the interest on the bonds is exempt from federal and Colorado taxation.
4. Consulting with Board members, consultants and advisors regarding the structure of the bond issuance, timing of sale and other matters relating to the issuance of bonds;
5. Participating in meetings, including Board meetings as necessary; and

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6. Preparing all registration or exemption notices or filings to comply with the Colorado Municipal Bond Supervision Act.

Our Bond Counsel Opinions will be executed and delivered in written form on the date bonds are delivered (the "Closing"), and will be based upon facts and law existing as of their dates. As is customary, in rendering the Bond Counsel Opinions, we will rely upon the certified proceedings; other certifications of public officials and other persons; opinions of general counsel to the District as to several matters, including the organization and existence of the District, procedural matters relating to the organizational and bond authorization elections, the adoption of the bond resolutions, pending or threatened litigation and other matters as appropriate; and opinions of counsel to other parties to each transaction, as appropriate.

Kutak Rock LLP may also assist the District in the preparation of Preliminary and final Limited Offering Memorandums to be disseminated in connection with the sale of the bonds, if so authorized by the Board.

In addition to the services of Bond Counsel described above, Kutak Rock LLP also will, as requested by the District, work closely with the Districts and its general counsel as necessary to:

1. Provide regular and as needed legal advice regarding new legislation, court rulings, opinions or trends which may affect District financing;
2. Provide ongoing advice regarding secondary market issues, such as necessary disclosures; and
3. Provide advice and assistance to the District on other related legal matters as the District may request.

With respect to the 2009 November Election, the Firm will bill for its services on an hourly basis. The hourly rate of Ken Guckenberger is \$290. Our fee to act as Bond Counsel will be determined at the time bonds are issued by the District will be set at the time of issuance by mutual agreement. The firm's public finance partner who will be principally involved in this representation will be myself. Attorneys from other practice areas, such as real estate and corporate, will be added to the team if needed as our work progresses. Associates and paralegals will be utilized in order to keep fees down. Our fee will be billed to the Districts at Closing to be paid from proceeds of bonds issued.

Kutak Rock LLP will perform its obligations in accordance with the standards of professional responsibility applicable to attorneys. Kutak Rock LLP will not represent any other party in connection with the issuance of the Bonds, without the Districts' express consent.

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This engagement letter shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

If, and only to the extent that, this engagement letter constitutes a "sole source government contract" within the meaning of Article XXVIII of the Colorado Constitution (the "Article"), then the District shall constitute a "contract holder" for purposes of Section 16 of the Article, and the District shall comply with the provisions of Section 16 of the Article.

If any provision of Section 16 of the Article, or the application thereof, is repealed retroactively, found to be inapplicable to this engagement letter, or is determined by a court or administrative body of competent jurisdiction to be unconstitutional, invalid or unenforceable, in whole or in part, then such provision shall no longer be incorporated into this engagement letter and the parties hereto shall have no obligations under such provision; provided, however, that such determination shall not affect, impair or invalidate any other provision hereof or the application of the provision in question to any other situation; and if any provision hereof or the application thereof is determined by a court or administrative body to be valid or enforceable only if its application is limited, its application shall be limited as required to most fully implement its purpose.

Section 16 of the Article requires the "contract holder" to file a report with the Director of the Department of Personnel and Administration for the State of Colorado disclosing certain protected information related to the sole source government contract, which information may or may not include the names and addresses of all parties to the contract, the nature of the contract, the start and end date of the contract and the amount and rate of payment. Accordingly, by executing this engagement letter, you acknowledge your understanding of and consent to this disclosure and hereby waive your right to confidentiality only with regard to such disclosure and only to the extent allowable by state or federal law.

One or more of the Districts may terminate this agreement with respect to our engagement by notifying Kutak Rock LLP in writing. Conversely, Kutak Rock LLP may withdraw as counsel to one or more of the Districts and terminate this agreement in a manner that protects the interests of the Districts in the work being performed by Kutak Rock LLP by notifying the Districts in writing.

If the above sets forth our understanding to your satisfaction, please confirm the terms of our engagement by signing, dating and returning the enclosed copy of this letter. If the foregoing does not reflect our understanding or if you wish to discuss additional projects with us, please contact me.

Throughout our representation, we want you to be satisfied with our fees as well as the professional services we perform on your behalf. Accordingly, we invite your inquiry if you have any questions concerning any aspect of our representation.

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TrailMark Metropolitan District

July 22, 2009

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This letter may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which shall constitute one and the same instrument.


Sincerely,



Kutak Rock LLP

CONFIRMED AND AGREED TO AS
OF THE DATE INDICATED BELOW:

TRAILMARK METROPOLITAN DISTRICT

By: 
Authorized Officer

Date: 8/19/09