

**MINUTES OF THE COORDINATED
SPECIAL MEETING OF**

**CENTERRA METROPOLITAN DISTRICT NO. 1
CENTERRA METROPOLITAN DISTRICT NO. 2
CENTERRA METROPOLITAN DISTRICT NO. 3
CENTERRA METROPOLITAN DISTRICT NO. 4**

HELD

October 25, 2004

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3 and Centerra Metropolitan District No. 4, held a coordinated special meeting, open to the public, at the office of McWhinney Enterprises, 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado 80538; at 1:00 p.m. on Monday, October 25, 2004. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Douglas Hill, President
Kim Perry, Vice President
Dan Herlihey, Secretary
Ken Howell, Treasurer
Dean Barber, Asst. Sec/Asst. Vice Pres.

Directors Absent and Excused:

None

Also in Attendance:

Peggy Dowswell, District Administrator
Rich Shannon, McWhinney Enterprises
Jon Moellenberg, RBC Dain Rauscher, Bond Underwriters
Rus Heise, RBC Dain Rauscher, Bond Underwriters
Tom Peltz, Kutak Rock LLP, Bond Counsel
Kerstin Stevenson, Kutak Rock LLP, Bond Counsel

CALL TO
ORDER

The meeting was called to order Director Hill, President of the Board, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve. Director Hill noted that the purpose of today's meeting was to execute previously approved bond documents and agreements, prior to bond close tomorrow morning, on Tuesday, October 26, 2004.

COMBINED
MEETING

The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Centerra Metropolitan District No. 1, with concurrence by the Centerra Metropolitan Districts Nos. 2, 3 and 4.

CONFLICT
OF INTEREST
DISCLOSURE

Ms. Dowswell noted that conflicts of interest for all Board Members have been filed with the Secretary of State at least 72 hours prior to this meeting, disclosing potential conflicts as all Board Members are employees of McWhinney Real Estate Services, Inc., which is associated with the primary landowner and developer within the District.

AGENDA

The Board reviewed the agenda and made no changes.

BOND
PRICING

Mr. Rus Heise, RBC Dain Rauscher, reported that the initial pricing on the bonds was 1.83%, and the price with the swap was a 2.89% fixed rate, which is slightly lower than the 3% projected. The fixed rate will be in effect until December 2007. An additional \$200,000 in project funds was gained by the lower interest rate. Mr. Heise suggested that the Board consider investing the project and reserve funds in higher interest bearing investments. To do this, a spend down schedule of the project funds would need to be done, and the District could bid it. The Board agreed it would look into it and upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

RESOLVED to authorize that the President of the Board direct investments of bond funds, with the benefit of consultation of accountant and advisors.

GLIC PAYMENT

Director Hill reported that an agreement had been reached with the GLIC on the crossings on the east side of Centerra. The agreement will come before the Board for ratification at the next meeting. The agreement requires a \$257,000 crossing fee to be paid upon bond close, plus administrative expenses to be paid within 30 days. Upon motion duly made by Director Herlihey and seconded by Director Hill, it was unanimously

RESOLVED to approve the payments to GLIC, \$257,000 upon bond close tomorrow, and the administrative fees upon receipt of invoice by GLIC.

PUBLIC
COMMENTS

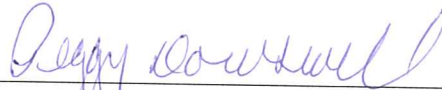
The Board opened the meeting to Public Comments. Upon receiving no comments, this portion of the meeting was closed.

CONTINUANCE

The meeting was continued to tomorrow morning, October 26, 2004, at 9am, in the event further action was required in connection with the bond closing.

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

Respectfully Submitted,



Peggy Dowswell, Secretary for the Meeting