

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL MEETING OF

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

HELD

March 19, 2008

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, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 2:00 p.m. Wednesday, March 19, 2008. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Kim Perry, President
Joe Knopinski, Vice President
Dan Herlihey, Secretary
Phil Hodgkinson, Vice President/Assistant Secretary

Also in Attendance:

Doug Hill, McWhinney
Trisha Bruntz, McWhinney
Bret Boulter, McWhinney
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilda, & Pogue
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.

CALL TO
ORDER

The meeting was called to order by Director Perry, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

COMBINED
MEETING

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

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CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed, disclosing potential conflicts as all Board Members are employees of McWhinney Real Estate Services, Inc., which is associated with the primary landowners and developer within the District. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

AGENDA

The Board reviewed the agenda. Mr. Pogue advised the Board that, subsequent to the approval of documentation relating to the issuance by District No. 1 of its Limited Tax Variable Rate Bonds, Series 2008, certain changes were made to such documents, including the Capital Pledge Agreement, the Reimbursement Agreement, and the Custodial Agreement, which changes may have been material. As a result, Mr. Pogue requested that the Board consider confirmation of the Board's approval of the Capital Pledge Agreement, the Reimbursement Agreement, and the Custodial Agreement in the revised forms submitted to the Board on the date hereof, and the Waiver of Conflict Letter from Kutak Rock, all as part of section #4 of the agenda – Consideration and approval of outstanding items relating to bond issue. Upon motion duly made by Director Herlihey, seconded by Director Knopinski, it was unanimously

RESOLVED to approve the agenda with changes noted above.

BOND ISSUANCE UPDATE

Mr. Pogue, legal counsel, and Ms. Dowswell gave the Board an update on the progress of Bond Issuance noting that they anticipated closing on the bonds at 9:00 am on Thursday, March 20, 2008. Ms. Dowswell noted that the new Interest Rate Exchange Agreement (SWAP) had been priced and the resulting termination payment for the prior SWAP was \$4,000,885 million. The 2008 bond rate was set at 3.55%; resulting in an all-in rate on the Bonds, including Letter of Credit fees at 5.6%. She explained that they received 8 orders which were several more than anticipated.

CUSTODIAL AGREEMENT

Mr. Pogue presented the Board with the revised Custodial Agreement. Upon motion duly made by Director Knopinski and seconded by Director Hodgkinson, it was unanimously

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RESOLVED to confirm the approval of the Custodial Agreement in the form submitted to the Board on the date hereof.

CAPITAL PLEDGE
AGREEMENT &
REIMBURSEMENT
AGREEMENT

Mr. Pogue presented the Board with the revised Capital Pledge Agreement and the revised Reimbursement Agreement. Upon motion duly made by Director Knopinski and seconded by Director Hodgkinson, it was unanimously

RESOLVED to confirm the approval of the Capital Pledge Agreement and the Reimbursement Agreement in the forms submitted to the Board on the date hereof.

WAIVER OF
CONFLICT LETTER

Mr. Pogue noted Kutak Rock submitted a Waiver of Conflict requesting that the Board approve an identified conflict resulting from Kutak Rock serving as Bond Counsel to the District and also counsel to RBC, as Swap Provider. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

RESOLVED to accept the Waiver of Conflict Letter and to authorize Kim Perry to sign as President.

PUBLIC
COMMENTS

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

BOARD MEETING
CONTINUATION

At 2:45 p.m., the Board decided to continue the meeting which will be held on Thursday, March 20, 2008 at 12:00 noon. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

RESOLVED to continue the Board Meeting as noted above.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting