

**MINUTES OF THE COORDINATED  
REGULAR MEETING OF**

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

**HELD**

**June 17, 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 regular meeting, open to the public, at the office of McWhinney Enterprises, 2725 Rocky Mountain Ave., Suite 200, Loveland, Colorado 80538; at 12:00 noon on Thursday, June 17, 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  
Dan Herlihey  
Dean Barber

Directors Absent and Excused:

Kim Perry

Also in Attendance:

Alan Pogue, White, Bear & Ankele, General Counsel  
Kim Casey, White, Bear & Ankele, Bond Disclosure Counsel  
Peggy Dowswell, District Administrator  
Stan Myers, Northern Engineering, District Engineer  
Dwayne Walker, Empire Management, Inc.  
Rich Shannon, McWhinney Enterprises  
Ken Howell, McWhinney Enterprises

CALL TO  
ORDER

The meeting was called to order by Mr. Alan Pogue, general counsel to the Districts, 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.

---

CONFLICT  
OF INTEREST  
DISCLOSURE

Mr. Pogue 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.

---

BOARD VACANCY

Mr. Pogue noted there is one vacancy on each Board. Upon further discussion and motion duly made and seconded, it was unanimously

**RESOLVED** to appoint Mr. Ken Howell to the Board of Directors, to serve for the vacant 2-year term that expires May 2006.

Mr. Howell took his Oath of Office before a Notary, and Conflicts of Interest will be filed on his behalf, which disclose his employment with McWhinney Real Estate Services, Inc., an associated company of the primary developer in the Districts.

---

ELECTION  
OF OFFICERS

In light of Mr. Howell's appointment, the Board moved to elect Director Howell as Treasurer. Upon motion duly made, seconded and unanimously carried, the following Officers were elected and approved as follows:

President:	Douglas Hill
Vice President	Kim Perry
Secretary:	Dan Herlihey
Treasurer:	Ken Howell
Assistant Secretary/ Asst. Treasurer:	Dean Barber

---

AGENDA

The Board reviewed the agenda and made only changes in the order of items.

---

MINUTES

Ms. Dowswell presented the minutes of the May 20, 2004 Organizational Board Meeting. Upon further discussion and motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Minutes of the May 20, 2004 Organizational Board Meeting, as presented.

---

RATIFICATION OF  
PRIOR ACTIONS

Mr. Pogue recommended that all prior actions taken by the Board at the May 20, 2004 meeting be ratified today, including the approval of the Centerra Master Financing and Intergovernmental Agreement. Upon further discussion and motion duly made and seconded, it was unanimously

**RESOLVED** to ratify all actions taken, including the approval of the Centerra Master Financing and Intergovernmental Agreement, by the Board at the May 20, 2004 Organizational Board Meeting.

---

ADMINISTRATIVE  
MATTERS

The Board deferred discussion of this item to a future meeting.

---

INDEMNIFICATION  
RESOLUTION

The Board deferred discussion of this item to a future meeting.

---

DISTRICT ENGINEER  
REPORT

Mr. Stan Myers, Northern Engineering, reported that he is working on issues on the Lifestyle Center plat, such as easements for the water line behind Cracker Barrel and noted that the Board members need to sign the plat, as owners in the area.

---

DISTRICT  
CONSTRUCTION  
MANAGER REPORT

Mr. Dwayne Walker, Empire Management, reported that the bid documents for the District are complete and ready to go. In the next 30 days, the District will be going to bid on the I'25 Bores, Heska, and Bid Pack 2A (off-site Lifestyle public improvements).

---

REPORT ON  
DISTRICT BONDS

Ms. Kim Casey, of White, Bear & Ankele, the Districts Bond Disclosure Counsel, reported that the District is pursuing a Letter of Credit from a Bank to enhance the District's bonds, which are expected to be variable rate. If necessary, the District will pursue a smaller Letter of Credit to enhance a supplemental reserve. The District is working with Tom Peltz, at Kutak Rock, Bond Counsel, Rus Heise and Jon Moellenberg at RBC Dain Rauscher and

Steph Chichester and Stan Solodsky at AG Edwards as co-underwriters, Leigh Lutz with American National Bank as Trustee. Underwriter's counsel has not been decided upon. The Centerra Master Financing and Intergovernmental Agreement (MFA) requires that the City receive all bond documents, in order for the City to be assured that the bonds are in compliance with the MFA.

---

IMPROVEMENTS  
ACQUISITION  
AGREEMENT

Mr. Pogue presented the draft of the Improvements Acquisition Agreement between the District and the Lifestyle Joint Venture (Centerra Lifestyle Center, LLC). This Agreement sets out the parameters for how the District will acquire the on-site public improvements (parking area, landscape, parks & rec amenities) at the LifeStyle Center. The Joint Venture (under Poag & McEwen's lead) will construct the improvements, and the District will acquire them upon issuance of its second bond issue (in approximately 2007). The amount of improvements is still being determined, based on the cost of the improvements. The agreement will also include reimbursement for approximately \$215,000 for a sewer line on-site that makes sense for the Joint Venture to construct for the District. Mr. Pogue would like the Board to approve the Agreement today, subject to counsel's revisions after getting feedback from the Joint Venture counsel, and authorize the District's Board President to execute the final Agreement on behalf of the District. Upon further discussion and motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Improvements Acquisition Agreement between the District and the Lifestyle Joint Venture (Centerra Lifestyle Center, LLC), subject to general counsel's revisions, and authorize the District's President of the Board to execute the final Agreement on behalf of the District.

---

MASTER IGA  
B/W DISTRICTS

Mr. Pogue presented the need for Districts 2, 3 and 4 to enter into a Master IGA (District Facilities Construction and Service Agreement) with District 1, which is the Service and Operating District. District 1 will provide operations, maintenance and construction of infrastructure, while Districts 2, 3 and 4 provide the financing. The issues in the Master IGA will center around the guarantee of mill levies that is required in the MFA and may be required in the bond documents. Mr. Pogue will draft the agreement and present to the Board at the next meeting.

---

FUNDING AND  
REIMBURSEMENT  
AGREEMENT

Mr. Pogue presented the need for the District to put into place two Advance and Reimbursement Agreements with the Developer, in order for the District to

finance: (1) the construction of capital improvements and (2) operating expenses. The agreements will be between District No. 1 and CPW, as the Developer entity. Mr. Pogue will draft the agreements and present to the Board at the next meeting.

---

PUBLIC  
COMMENTS

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

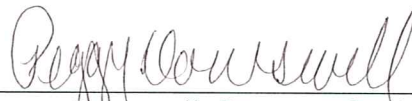
---

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

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

Respectfully Submitted,



---

Peggy Dowswell, Secretary for the Meeting