

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
HEATHER RIDGE METROPOLITAN DISTRICT NO. 1**

Held: November 23, 2009, at 4:00 p.m. at 2811 S. Xanadu Way, Aurora, Colorado.

Director Attendance            A meeting of the Heather Ridge Metropolitan District No. 1 (the "District") was held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the board, were in attendance:

Errol Rowland	Van Lewis	Mary Lou Braun
Jane S. Klein	Joan Beldock	Vincent Roith
James Bruce		

Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel; and Michael Lund, Piper Jaffray. A public audience was also in attendance.

Call to Order & Quorum / Qualifications            Director Rowland called the meeting to order. Director Rowland noted a quorum was present and all directors present were qualified to serve.

Approval of Agenda            Motion made and seconded to approve the agenda. The motion passed unanimously.

Approval of Minutes            None.

Land Purchase Closing            Director Rowland reported that the land purchase closing will take place on November 24<sup>th</sup>. Financing of the land closing (i.e. payment of the land purchase price) expected to occur from proceeds of the bond issue simultaneously with closing of said bonds by December 1<sup>st</sup>. Transfer of physical possession of the golf course over to the District to occur on December 1<sup>st</sup>.

General Obligation Bonds            Mr. Lund reported that US Bank has given its commitment to buy the bonds and presented the District with US Bank's rate lock agreement at 4.3%. Motion and second to approve the rate lock agreement passed unanimously.

Mr. Allen reported that with the commitment from US Bank in hand, Bond Counsel prepared the District's bond authorization resolution that authorizes the District to issue the Series 2009 Bond at \$5,195,000 par amount, 4.3% interest, and approves other related bond documents. Following a discussion concerning the bond resolution, Director Roith motioned, and Director Joan Beldock seconded, to approve the bond resolution. Motion passed unanimously. Mr. Allen further informed the board that Bond Counsel recommended that this bond authorization meeting be continued with additional notices posted to December 1<sup>st</sup> at Bond Counsel's offices to accommodate any bond resolution revisions and amendments that may become necessary to fulfill the bond closing.

Golf Course Management/Operation Contracts            Mr. Allen indicated that several agreements are required for the management and operation of the golf course functions including: (i) UAHR, Inc., daily management agreement; (ii) Golf Pro management agreement with pro shop use; (iii) Dumitri agreement; and (iv) golf cart lease addendum. Discussion concerning various agreements needed for the undertaking of the golf course operations was held. Motion by Director

Lewis, second by Director Roith to have the District enter into the necessary and recommended contracts relative to the use, operation, maintenance and management of the golf course and its facilities. Motion passed unanimously.

Bond Proceed  
Investments

Initially net bond proceeds will be invested in the US Bank money market accounts, which US Bank has stated are liquid and accessible accounts for the District to make unlimited draws as it deems necessary. The board gave direction to Mr. Lund to continue to pursue alternative investment options that the board may consider.

Continued Meeting

Motion made and seconded to continue the meeting to December 1, 2009, 10:00 a.m., at 633 17<sup>th</sup> Street, 30<sup>th</sup> Floor, Denver Colorado (bond counsel office). Motion passed unanimously and meeting was continued.

The foregoing minutes were approved by the Board of Directors on January 14, 2010, and constitute a true and correct copy of the minutes of the above-referenced meeting.

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Secretary for the Meeting

**MINUTES OF THE CONTINUED MEETING OF THE BOARD OF DIRECTORS  
OF  
HEATHER RIDGE METROPOLITAN DISTRICT NO. 1**

Held: December 1, 2009, at 10:00 a.m. at 633 17<sup>th</sup> Street, 30<sup>th</sup> Floor, Denver, Colorado.

**Director Attendance**

A meeting of the Heather Ridge Metropolitan District No. 1 (the "District") was held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the board, were in attendance:

Errol Rowland                      Van Lewis  
Joan Beldock (by phone)      Vincent Roith

All other director absences excused

Also attending for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel; and Michael Lund, Piper Jaffray; Peter Whitmore, Sherman and Howard, bond counsel. A public audience was also in attendance.

**Call to Order & Quorum /  
Qualifications**

Director Rowland called the continued meeting to order. Director Rowland noted a quorum was present for the continued meeting which allows attendance by phone for bond authorization purposes, and that all directors present were qualified to serve.

Mr. Allen reported that notice of the continued meeting was posted as required by law relative to the board making final determination to issue debt.

**General Obligation Bonds**

Mr. Whitmore reported that US Bank had made a request to have the bonds not be required to be presented with each principal debt service payment. To accommodate this request the bonds were made to be non – transferrable, which necessitated corresponding changes to the bond resolution. Bond Counsel prepared the District's revised bond authorization resolution that authorizes the District to issue the Series 2009 Bond at \$5,195,000 par amount, 4.3% interest, and approves other related bond documents. Following a discussion concerning the revised bond resolution, Director Roith motioned, and Director Lewis seconded, to approve the revised bond resolution. Motion passed unanimously. Mr. Allen stated that passage of the revised bond resolution was the only action the board needed to take to allow for the bond closing to take place.

**Meeting Adjourned**

The meeting was adjourned, and the bond closing commenced. Bond proceeds were wired to various accounts including to City Wide Banks to repay the earnest money deposit loan; and to Merchants Mortgage to pay the balance due on the land purchase. Other costs of bond issuance were also paid.

The foregoing minutes were approved by the Board of Directors on January 14, 2010, and constitute a true and correct copy of the minutes of the above-referenced meeting.

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Secretary for the Meeting