

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

Held: March 8, 2011, at 4:00 p.m. at 13521 East Iliff Ave., 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 (excused absence)
Mary Lou Braun (excused absence)
James Bruce Joan Beldock Vincent Roith Melissa Miller
Van Lewis

Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel; Michael Lund, Piper Jaffray, underwriter.

A public audience was also in attendance.

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

Conflict Disclosure The agenda for the meeting was reviewed and nothing appeared on the agenda for
which disclosure certificates had not been filed.

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

Series 2011 Bonds and Mr. Allen announced that despite not being able to come to terms on an irrigation
Amendment to Series 2009 equipment lease with Toro's leasing company, the District and US Bank are able to
Bonds proceed with the Series 2011 bond. Mr. Lund presented the District with US
Bank's rate lock agreement at 4.19% on the Series 2011 Bonds for ratification by
the Board. Motion and second to ratify the rate lock agreement passed
unanimously. Mr. Lund explained that the interest rate is fixed for the five (5) year
term of the 2011 Series Bonds and that the rate incorporates the District's ability to
prepay the bonds without any prepayment penalty. Mr. Lund noted that US Bank
required that as part of the Series 2011 Bonds, the Series 2009 Bonds need to be
amended as to the maturity date and post maturity date interest rate. Discussion
relative to the terms of the 2011 Bonds and the changes to the 2009 Bonds and that
the District's financial projects indicate that the District can issue the additional
debt without increasing the current mill levy. Motion by Director Roith, second by
Director Lewis, to approve the bond resolution approving and otherwise
authorizing the District to issue its Series 2011 Bonds at \$750,000 par, 4.19%
interest, and approve other related bond documents as necessary. Motion passed
unanimously.

Motion by Director Roith, second by Director Miller, to approve the resolution
amending certain provisions of the Series 2009 Bond Resolution and bonds.
Motion passed unanimously.

Mr. Lund indicated that the Series 2011 Bond closing is scheduled for the morning
of March 10, 2011.

Mr. Lund reported that now the Series 2009 and Series 2011 bonds both mature on
October 1, 2016. Mr. Lund further explained that his office will continue to

monitor the market and the District's credit rating with the goal to refinance the short term bonds into a thirty (30) year bond before the 2016 maturity. Mr. Lund explained that currently the District might receive a BBB credit rating and a 30 year bond today would yield a 6.5% to 7.0% interest rate. Mr. Lund explained that over the next year or two the District's credit rating should improve as its debt to assessed valuation ratio improves which would likely translate into a lower rate 30 year bond than could be achieved today. Mr. Lund will make future presentations to the Board relative to refinancing the short term bonds into a long term 30 year fixed bond.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on March 17, 2011, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting