

MINUTES OF THE ORGANIZATIONAL MEETING OF THE
BOARD OF DIRECTORS

OF

HEATHER RIDGE METROPOLITAN DISTRICT NO. 1

Held: Monday, the 8th day of February, 2007, at 2:00 p.m. at
2685 S. Xanadu, Aurora, Colorado.

Attendance

A meeting of the board of directors of Heather Ridge Metropolitan District No. 1 was called and 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 boards, were in attendance:

Errol Rowland
Van Lewis
Jane S. Klein
Vincent Roith
Lee Eldredge
Mary Lou Braun
Joan Beldock

All director absences are deemed excused unless a contrary notation is recorded in these minutes. Also present was Joseph J. Lico, Esq, White Bear and Ankele, Professional Corporation, District General Counsel.

Call to Order

The board determined to appoint Director Rowland as Chairman. Director Rowland noted that a quorum of both boards was present and called the organizational meetings of Heather Ridge Metropolitan District No. 1 to order.

Qualifications

Mr. Lico presented Affidavits of Qualification of Director forms for review and execution by the board members. Each member present was requested to review the form and execute the same in the appropriate manner.

Board Positions

A motion was made by Director Rowland and seconded by Director Beldock to appoint Van Lewis as Vice-President, Jane S.

Klein as Secretary, Vincent Roith as Treasurer and Lee Eldredge, Mary Lou Braun and Joan Beldock as Assistant Secretaries. The motion passed unanimously.

Organizational Resolution The board of directors considered the Organizational Resolution submitted by Mr. Lico. After discussion, a motion was made by Director Rowland and was seconded by Director Roith to approve the resolution as presented. The motion was approved unanimously.

Indemnification Resolution Mr. Lico presented the board with a resolution whereby the District agrees to indemnify the board of directors for actions they may take within the scope of their duties as a member of the board taken in good faith. After a discussion, a motion was made by Director Roith and was seconded by Director Lewis. The motion was approved unanimously.

Conflicts of Interest Disclosure Matters Mr. Lico then presented the board with documents to complete with respect to conflicts of interest and asked that they be filled out and returned so that they can be filed with the Secretary of State seventy-two (72) hours in advance of the next meeting.

Financial Matters Federal Employer Identification Number, Colorado State Tax Exemption Number, PDPA Number The Federal Employer Identification Number, the Colorado State Tax Exemption Number and the PDPA Number applications were presented to the board for the District for signature. No action was necessary.

Public Hearing on 2007 Budget Mr. Lico noted that the meeting had been posted as the annual budget hearing for the District. Director Rowland opened the budget hearings for the District for fiscal year 2007. There being no members of the public present, the hearings were closed. The Board reviewed the budgets and upon motion made by Director Roith and seconded by Director Klein, the budget for the district was unanimously approved as presented.

Insurance Coverage Insurance for the District was discussed. A proposal from the special district liability pool will be obtained for the District.

Appointment of Consultants A motion was made by Director Rowland and was seconded by Director Lewis to appoint White Bear and Ankele, P.C. as legal council. The motion was approved unanimously.

Accountant The need for an accountant for the District was discussed. No

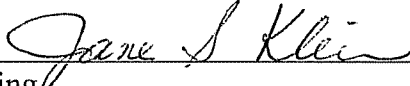
further action was necessary.

Adjournment

There being no further business to come before the board and following discussion and upon motion duly made, seconded and unanimously carried, the board determined to adjourn the meeting.

The foregoing minutes were approved by the boards of directors on the _____ day of _____, 2007.

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



Secretary for the Meeting