
CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF
HEATHER GARDENS METROPOLITAN DISTRICT
IN THE CITY OF AURORA, COLORADO

Relating to a Resolution Authorizing the Issuance of Up to:

\$9,000,000
General Obligation Refunding Bonds
Series 2017

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

(Attached copy of notice of meeting as posted)



Heather Gardens Metropolitan District

NOTICE OF HGMD BOARD OF DIRECTOR MEETING

Pursuant to Section 24-6-402 (2) (c), C.R.S. the Board of Directors of the Heather Gardens Metropolitan District hereby gives notice that it shall meet at **1:00 PM** on **October 19, 2017** at the office of the District, 2888 South Heather Gardens Way, Arapahoe County, Colorado 80014. At this meeting, it is anticipated that the Board will make a final determination to issue and refund general obligation indebtedness. Specifically, the District will consider adoption of a resolution authorizing the issuance of General Obligation Refunding Bonds, Series 2017, in the maximum principal amount of \$9,000,000 for the purpose of refunding existing District general obligation indebtedness. The business meeting will be held for the purpose of conducting such business as may come before the Board. This meeting is open to the public.

AGENDA

1. Determine quorum present
2. Call meeting to order
3. Additions or changes to the agenda
4. Approval of minutes:
 - a. Approve September 21, 2017 Regular HGMD minutes
 - b. Approve October 10, 2017 Special HGMD minutes
 - c. Approve October 16, 2017 Special HGMD minutes
 - d. Approve April 13, 2017 Regular HGMD minutes
 - e. Approve May 11, 2017 Regular HGMD minutes
 - f. Approve Revised May 22, 2017 Special HGMD minutes
5. Discuss General Manager's report
6. Reports of Directors, committees and professional consultants
 - a. Treasurer's Report (Archambault)
 - b. Clubhouse/Restaurant Committee (Rosenberg)
 - c. Golf Committee (McMullen)
 - d. Foundation Committee (Hizer)
7. Unfinished Business
 - a. Consider adoption of a resolution authorizing the issuance of General Obligation Refunding Bonds, Series 2017, in the maximum principal amount of \$9,000,000 for the purpose of refunding existing District general obligation indebtedness.
8. New Business
 - a. Approval of recycling bins on Golf Course Holes #4, 6, and 8.
 - b. Approval of recycling bins on Pro Shop Patio
 - c. Approval of "Property Management" Standing Committee
 - d. Approval of "Adverting" and "Marketing" Special Committees as Subcommittees of the Golf Committee
9. Residents wishing to address the Board on Non-Agenda items: Time Limit – Three Minutes
10. Adjournment



Heather Gardens Metropolitan District

Note: HGMD Board meetings, when called, are held on the Thursday after the third Tuesday at 1:00 PM at 2888 S. Heather Gardens Way, Arapahoe County, Colorado, in the Board Room.

Residents wishing to address the Board on Agenda items are asked to indicate the Agenda Item Number next to their name on the appropriate sign-up sheet. Residents doing so will be recognized as each agenda item is undertaken.

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APPENDIX A Form of Bond
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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY HEATHER GARDENS METROPOLITAN DISTRICT, IN THE CITY OF AURORA, COLORADO, OF ITS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, FOR THE PURPOSE OF GENERATING SAVINGS TO THE DISTRICT THROUGH THE REFUNDING OF A PORTION OF ITS OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2010; PROVIDING FOR THE LEVY OF AD VALOREM PROPERTY TAXES FOR THE PAYMENT OF SUCH BONDS; PROVIDING THE FORM OF SUCH BONDS AND OTHER DETAILS WITH RESPECT TO SUCH BONDS AND THE PAYMENT THEREOF; AND APPROVING OTHER DOCUMENTS RELATING TO SUCH BONDS.

RECITALS

WHEREAS, Heather Gardens Metropolitan District, in the City of Aurora, Colorado (the "District") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to the constitution and laws of the State of Colorado (the "State"); and

WHEREAS, the District was organized by order of the District Court in and for Arapahoe County, Colorado (the "County") issued on April 6, 1983, as such order was amended on June 17, 2008, and recorded in the real property records of the County on June 27, 2008; and

WHEREAS, the City Council for the City of Aurora, Colorado (the "City") approved the petition for organization of the District on January 17, 1983, which the City Council rescinded and reenacted via resolution on March 17, 2008 (as amended from time to time, the "Statement of Purpose"); and

WHEREAS, the Statement of Purpose does not limit the debt to be issued by the District and neither the District nor the City have executed any other document limiting the debt of the District; and

WHEREAS, at an election of the qualified electors of the District duly called for and held on May 4, 2010 (the "Election"), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at such election voted in favor of, inter alia, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities of the District for such purpose, as follows (the question relating thereto being as set forth in Appendix B hereto):

Purpose	Principal Amount of Debt Authorization Voted
Community Recreation Center	\$9,800,000
Total	<u>\$9,800,000</u>

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, pursuant to Section 32-1-1101.5(1), Colorado Revised Statutes, as amended (“C.R.S.”), the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S. within 45 days after the Election, and with the division of securities created by Section 11-51-701, C.R.S., or were certified no later than 30 days before issuing any general obligation debt to the foregoing entities; and

WHEREAS, for the purpose of financing the costs of designing, acquiring, constructing, completing, installing, relocating, and providing a community recreation center, the District previously issued its General Obligation Bonds, Series 2010 (the “Series 2010 Bonds”), originally issued in the principal amount of \$9,800,000, pursuant to a resolution adopted by the District on July 15, 2010 (the “Refunded Bonds Resolution”); and

WHEREAS, the Series 2010 Bonds maturing on and after December 1, 2021 are presently outstanding in the amount of \$7,895,000 and are referred to herein as the “Refunded Bonds”; and

WHEREAS, the Refunded Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on December 1, 2020, and on any date thereafter, upon payment of par and accrued interest, without redemption premium; and

WHEREAS, the Refunded Bonds bear interest at rates of 4.10% to 5.25%; and

WHEREAS, the Board of Directors of the District (the “Board”) heretofore determined and does hereby determine that it is in the best interests of the District, and the residents and taxpayers thereof, that all of the Refunded Bonds be advance refunded at a lower net effective interest rate, provided that a minimum amount of debt service savings (described herein) is achieved as a result; and

WHEREAS, the Board does hereby determine that it is in the best interests of the District, and the residents and taxpayers thereof, that the Refunded Bonds be refunded at a lower net effective interest rate, and that for such purpose, there shall be issued the District’s General Obligation Refunding Bonds, Series 2017, dated their date of delivery, in the total principal amount of not to exceed \$9,000,000 (the “Bonds”), subject to the final negotiation of certain terms of the Bonds to be set forth in the Sale Certificate, as more particularly set forth herein; and

WHEREAS, there has been presented to this meeting of the Board a proposal in the form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) from RBC Capital Markets, LLC, Denver, Colorado (the “Underwriter”), to purchase the Bonds upon specified terms and conditions, the final terms and conditions of which are to be set forth in the Bond Purchase Agreement in accordance with the Sale Certificate (defined herein); and

WHEREAS, after consideration, the Board has determined that the negotiated sale of the Bonds to the Underwriter upon the terms and conditions set forth in the Bond Purchase Agreement, subject to the parameters set forth herein, is in the best interests of the District and the residents thereof; and

WHEREAS, the Bonds are being issued for the purpose of refinancing District bonded debt (consisting of the Refunded Bonds) at a lower net effective interest rate, and Article X, Section 20 of the State Constitution and Section 11-56-107, C.R.S., provide that voter approval in advance is not required for refinancing district bonded debt at a lower net effective interest rate; and

WHEREAS, the net proceeds derived from the sale of the Bonds shall be placed in the Escrow Account (defined herein) held by the Escrow Agent (defined herein), together with other legally available funds of the District, for the purpose only of paying the principal and redemption premium of and interest on the Refunded Bonds due prior to and on the Redemption Date (defined herein), as more particularly set forth therein; and

WHEREAS, the Bonds will be general obligations of the District payable from revenues resulting from the District's imposition of ad valorem taxes on all taxable property within the boundaries of the District, without limitation as to rate; and

WHEREAS, the Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act"), to the Bonds; and

WHEREAS, the total obligation represented by the Bonds together with other general obligation debt of the District does not at the time of issuance exceed the greater of two million dollars or fifty percent of the valuation of assessment of the taxable property in the District as certified by the assessor and, as a result, the Bonds will be exempt from registration under the Colorado Municipal Bond Supervision Act, and are issued in accordance with Section 32-1-1101(6)(a), C.R.S.; and

WHEREAS, no member of the Board has a potential conflict of interest in connection with the authorization, issuance, sale or use of proceeds of the Bonds; and

WHEREAS, this Resolution is being adopted to authorize the issuance, sale and delivery of the Bonds, to provide for the payment of the Bonds and to provide the details of the Bonds; and

WHEREAS, there has been presented to the Board, among other things, the substantially final forms of the following documents (all as more particularly defined herein): (a) Paying Agent Agreement, (b) Bond Purchase Agreement, (c) Escrow Agreement, (d) Continuing Disclosure Undertaking, (e) Preliminary Official Statement, and (f) the Post-Issuance Tax Compliance Policy (all as defined herein); and

WHEREAS, the Board desires, as provided in the Supplemental Act, to delegate the authority to the President of the District to identify the Bond Insurer (defined herein), if any, and to determine certain provisions of the Bonds to be set forth in the Sale Certificate, in accordance with the provisions of this Resolution;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF HEATHER GARDENS METROPOLITAN DISTRICT, that:

Section 1. Definitions. The following terms shall have the following meanings for purposes of this Resolution:

“*Acts*” means, collectively, Part 11 of Article 1 of Title 32, C.R.S.; Part 1 of Article 56 of Title 11, C.R.S.; and Part 2 of Article 57 of Title 11, C.R.S.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Board*” means the Board of Directors of the District, and any successor body.

“*Bond Account*” means the “Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017 Bond Account” created pursuant to the Section hereof entitled “General Obligations; Security for the Bonds; Bond Account.”

“*Bond Counsel*” means (a) as of the date of issuance of the Bonds, Kutak Rock LLP; and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the District with nationally recognized expertise in the issuance of municipal bonds.

“*Bond Insurance Policy*” means the municipal bond insurance policy, if any, issued by the Bond Insurer insuring the payment when due of the principal of, premium, if any, and interest on all or any portion of the Bonds, as provided therein.

“*Bond Insurer*” means the entity, if any, identified in the Sale Certificate as the issuer of the Bond Insurance Policy, or any successor thereto.

“*Bond Purchase Agreement*” means the agreement to purchase the Bonds by and between the District and the Underwriter.

“*Bonds*” means the Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017, authorized in the Section hereof entitled “Authorization and Purpose of Bonds.”

“*Business Day*” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed for business.

“*Cede*” means Cede & Co., New York, New York, which company is DTC’s partnership nominee.

“*Certified Public Accountant*” means a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State.

“*City*” is defined in the recitals hereof.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the Bonds or the use of proceeds thereof, unless the context clearly requires otherwise.

“Colorado Municipal Bond Supervision Act” means Article 59 of Title 11, C.R.S.

“Commitment” means, collectively, those certain offers, if any, to issue the Bond Insurance Policy, designated as the Commitment, issued by the Bond Insurer.

“Continuing Disclosure Undertaking” means the undertaking to facilitate compliance with Rule 15c2-12 under the Securities Exchange Act of 1934 in substantially the form appended to the Preliminary Official Statement.

“Dated Date” means the date of issuance of the Bonds, as established by the Sale Certificate.

“Depository” means a registered clearing agency that provides immobilization, safekeeping, and book-entry and settlement services to its participants.

“District” is defined in the recitals hereof.

“DTC” means The Depository Trust Company, New York, New York.

“Election” means the election held within the District on May 4, 2010.

“Escrow Account” means the special account designated “Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017 Bond Escrow Account” to be maintained by the Escrow Agent in accordance with the Escrow Agreement and the Section hereof entitled “Escrow Account.”

“Escrow Agent” means ZB, National Association dba Zions Bank, in its capacity as escrow agent under the Escrow Agreement, its successors and assigns.

“Escrow Agreement” means the Refunding Escrow Agreement by and between the District and the Escrow Agent, relating to the deposit of funds thereunder for the purpose of defeasing the Refunded Bonds.

“Event of Default” means any one or more of the events set forth in the Section hereof entitled “Events of Default.”

“Federal Securities” means direct non-callable obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of, premium, if any, and interest on which are unconditionally guaranteed by, the United States of America, to the extent such investments are Permitted Investments.

“Fiscal Year” means the 12 months commencing January 1 of any year and ending December 31 of that year.

“*Insured Bonds*” means those Bonds, if any, insured by a Bond Insurance Policy, as set forth in the Sale Certificate pursuant to the Section hereof entitled “Delegation and Parameters.”

“*Interest Payment Date*” means each June 1 and December 1, commencing June 1, 2018, or such other dates as established in the Sale Certificate.

“*Letter of Representations*” means the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“*Official Statement*” means the final version of the Preliminary Official Statement.

“*Outstanding*” means, as of any date, all Bonds, except the following:

(a) any Bond cancelled by the District or the Paying Agent, or otherwise on the District’s behalf, at or before such date;

(b) any Bond held by or on behalf of the District;

(c) any Bond for the payment or the redemption of which moneys or Federal Securities sufficient to meet all of the payment requirements of the principal of, premium, if any, and interest on such Bond to the date of maturity or prior redemption thereof, shall have theretofore been deposited in trust for such purpose in accordance with the Section hereof entitled “Defeasance”; and

(d) any lost, apparently destroyed, or wrongfully taken Bond in lieu of or in substitution for which another bond or other security shall have been executed and delivered.

“*Owner*” means the Person or Persons in whose name or names a Bond is registered on the registration books maintained by the Paying Agent pursuant hereto.

“*Participants*” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

“*Paying Agent*” means ZB, National Association dba Zions Bank, having an office in Denver, Colorado, or any successor thereto or assignee thereof approved by the District.

“*Paying Agent Agreement*” means an agreement by and between the District and the Paying Agent concerning duties and obligations of the Paying Agent with respect to the Bonds.

“*Permitted Investments*” means any investment in which funds of the District may be invested under the laws of the State at the time of such investment, as such definition may be further restricted in accordance with the requirements of a Bond Insurer, if any, as set forth in the Sale Certificate.

“*Person*” means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“Post-Issuance Tax Compliance Policy” means the Post-Issuance Tax Compliance Policy set forth as an exhibit to the Tax Compliance Certificate.

“Preliminary Official Statement” means the Preliminary Official Statement concerning the Bonds and the District.

“Rebate Account” means the “Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017 Rebate Account” created in the Section hereof entitled “Federal Income Tax Covenants.”

“Record Date” means, with respect to each Interest Payment Date, the 15th day of the month preceding the month (whether or not such day is a Business Day) in which such Interest Payment Date occurs.

“Redemption Date” means December 1, 2020.

“Refunded Bonds” means the District’s Series 2010 Bonds maturing on and after December 1, 2021, and presently outstanding in the aggregate principal amount of \$7,895,000.

“Refunded Bonds Paying Agent” means ZB, National Association dba Zions Bank, Denver, Colorado (as successor in interest to Zions First National Bank).

“Refunded Bonds Requirements” means the principal and accrued interest due in connection with the Refunded Bonds as the same become due until such bonds are called for prior redemption, and the redemption price for the Refunded Bonds on the Redemption Date, all as more specifically set forth in the Escrow Agreement.

“Refunded Bonds Resolution” means the resolution adopted by the District on July 15, 2010, pursuant to which the Series 2010 Bonds were issued.

“Resolution” means this Resolution, including any amendment or supplement hereto.

“Sale Certificate” means the certificate executed by the Sale Delegate, under the authority delegated pursuant to this Resolution, including, among other things, the identity of the Bond Insurer, if any; provisions required by the Bond Insurer, including the terms of the Commitment; the aggregate principal amount of the Bonds; the interest rates; the maturity dates; and mandatory sinking fund redemption amounts for the Bonds.

“Sale Delegate” means the President of the District.

“Series 2010 Bonds” means the District’s General Obligation Bonds, Series 2010, originally issued in the aggregate principal amount of \$9,800,000.

“Special Record Date” means the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined by the Paying Agent pursuant to the Section hereof entitled “Payment of Bonds; Paying Agent.”

“State” means the State of Colorado.

“*Statement of Purpose*” means the petition for organization of the District on January 17, 1983, which the City Council rescinded and reenacted via resolution on March 17, 2008, as may be further amended from time to time.

“*Supplemental Act*” means Part 2 of Article 57 of Title 11, C.R.S.

“*Tax Compliance Certificate*” means the Tax Compliance Certificate of the District in a form approved by Bond Counsel governing issues relating to the Bonds under the Code.

“*Tax Letter of Instructions*” means the Tax Letter of Instructions, dated the date on which the Bonds are originally issued and delivered to the District by Bond Counsel, as such instructions may be superseded or amended in accordance with their terms.

“*Underwriter*” means RBC Capital Markets, LLC, the original purchaser of the Bonds.

Section 2. Authorization and Purpose of Bonds. Pursuant to and in accordance with the State Constitution, the Acts, and all other laws of the State thereunto enabling, the Board hereby authorizes and directs that there shall be issued the “Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017,” in the aggregate principal amount set forth in the Sale Certificate pursuant to, and subject to the limitations set forth in, the Section hereof entitled “Delegation and Parameters,” for the purpose of advance refunding of the Refunded Bonds, and the payment of costs related to the issuance of the Bonds and the advance refunding of the Refunded Bonds (including the premium for the Bond Insurance Policy).

Section 3. Bond Details.

(a) ***Registered Form, Denominations, Original Dated Date and Numbering.***

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 each or any integral multiple thereof, shall be dated as of the Dated Date and shall be registered in the names of the Persons identified in the registration books maintained by the Paying Agent pursuant hereto. The Bonds shall be consecutively numbered, beginning with the number one, preceded by the letter “R.”

(b) ***Maturity Dates, Principal Amounts and Interest Rates.***

The Bonds shall be issued in the aggregate principal amounts set forth in the Sale Certificate. The Bonds shall be dated as of their Dated Date, shall mature on the dates, and shall bear interest (calculated based on a 360-day year of twelve 30-day months) at the rates set forth in the Sale Certificate. Interest on the Bonds shall be payable semiannually on each June 1 and December 1, commencing on June 1, 2018, or such other Interest Payment Dates as are set forth in the Sale Certificate.

(c) ***Unpaid Principal and Interest.***

To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided, however, that notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the

Bonds, including all payments of principal, premium, if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

Section 4. Payment of Bonds; Paying Agent. The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption (including on mandatory sinking fund redemption) and, with respect to such amounts due at final maturity only, upon presentation of the Bond at the principal office of the Paying Agent. The interest on any Bond, and any other amounts payable with respect thereto not requiring presentment of the Bond, is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Paying Agent, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to the applicable payment date; provided that any such amount not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted amount, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Paying Agent on a date selected by the Paying Agent. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such defaulted amount.

Interest payments and any redemption price (including mandatory sinking fund payments) shall be paid by check or draft of the Paying Agent mailed on the applicable Interest Payment Date or redemption date to the Owners. The Paying Agent may make payments of such amounts on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent; provided that the District shall not be required to make funds available to the Paying Agent prior to the dates on which such amounts would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Paying Agent Agreement and the Letter of Representations.

Section 5. Redemption of Bonds Prior to Maturity.

(a) ***Optional Redemption.*** The Bonds, if any, specified in the Sale Certificate shall be subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, and if in part, in such order of maturities (and, in the case of multiple interest rates within a maturity, in such order of interest rates) as the District shall determine and by lot within Bonds of the same maturity and bearing the same interest rate, on such dates, if any, and at such prices, as set forth in the Sale Certificate.

(b) ***Mandatory Sinking Fund Redemption.*** All or any principal amount of the Bonds may be subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified in the Sale Certificate, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

At its option, to be exercised on or before the 45th day next preceding each sinking fund redemption date, the District may (i) deliver to the Paying Agent for cancellation any Bonds and (ii) receive a credit in respect of its sinking fund redemption obligation for any Bonds of the applicable series, maturity and interest rate which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond so delivered or previously redeemed shall be credited by the Paying Agent at the principal amount thereof and reduce the obligation of the District by a like principal amount in the year or years determined by the District.

(c) ***Redemption Procedures.*** Notice of any redemption of Bonds shall be given by the Paying Agent by sending a copy of such notice by first-class, postage prepaid mail or by electronic means to DTC or its successors, not less than 30 days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. Such notice may also provide that such redemption shall be conditioned on the availability of sufficient amounts to effect such redemption on the date fixed for redemption. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled. If less than all of the Bonds within a maturity and series are to be redeemed on any prior redemption date, except as provided in subparagraph (a) hereof, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Paying Agent shall determine.

Section 6. Book-Entry System. The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity and each series. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Paying Agent in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the District and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to:

(a) the accuracy of the records of the Depository or any Participant concerning any ownership

interest in the Bonds; (b) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (c) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium, if any, and interest on or in connection with the Bonds. The District and the Paying Agent may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Resolution.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District or the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Additionally, the Board may terminate the services of DTC if it determines, in its sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interests of the Beneficial Owners or the District. Such termination shall be effected by written notice of the same from the District to DTC and to the Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the Board determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

Section 7. Form of Bonds. The Bonds shall be in substantially the form set forth in Appendix A attached hereto with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the District executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the District. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Resolution and is incorporated herein as if set forth in full in the body of this Resolution.

Section 8. Execution and Authentication of Bonds. The Bonds shall be executed in the name and on behalf of the District with the manual or facsimile signature of the President of the District, shall bear a manual or facsimile of the seal of the District and shall be attested by the manual or facsimile signature of the Secretary of the District, all of whom are hereby authorized and directed to prepare and execute the Bonds in accordance with the requirements hereof. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of any Bond, such manual or facsimile signature shall nevertheless be

valid and sufficient for all purposes. When the Bonds have been duly executed, the officers of the District are authorized to, and shall, deliver the Bonds to the Paying Agent for authentication. No Bond shall be secured by or entitled to the benefit of this Resolution, or shall be valid or obligatory for any purpose, unless the certificate of authentication of the Paying Agent has been manually executed by an authorized signatory of the Paying Agent. The executed certificate of authentication of the Paying Agent upon any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been properly authenticated and delivered hereunder.

Section 9. Registration of Bonds in Registration Books Maintained by Paying Agent. The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration book shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice or other information to the contrary.

Section 10. Transfer and Exchange of Bonds. The Bonds may be transferred or exchanged at the principal office of the Paying Agent identified in the definition of Paying Agent in the Section hereof entitled "Definitions," for a like aggregate principal amount of Bonds of other authorized denominations of the same type, maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the District shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond. Notwithstanding any other provision hereof, the Paying Agent shall not be required to transfer any Bond (a) which is scheduled to be redeemed in whole or in part between the Business Day immediately preceding the mailing of the notice of redemption and the redemption date or (b) between the Record Date for any Interest Payment Date for such Bond and such Interest Payment Date.

Section 11. Replacement of Lost, Destroyed or Stolen Bonds. If any Bond shall become lost, apparently destroyed, stolen or wrongfully taken, it may be replaced in the form and tenor of the lost, destroyed, stolen or taken Bond and the District shall execute, and the Paying Agent, shall authenticate and deliver a replacement Bond upon the Owner furnishing, to the satisfaction of the Paying Agent: (a) proof of ownership (which shall be shown by the registration books of the Paying Agent); (b) proof of loss, destruction or theft; (c) an indemnity to the District and the Paying Agent with respect to the Bond lost, destroyed or taken; and (d) payment of the cost of preparing and executing the new Bond.

Section 12. Delivery of Bonds and Application of Bond Proceeds and Other Available Revenues. Upon payment to the District of the purchase price of the Bonds in accordance with the Bond Purchase Agreement, the Bonds shall be delivered to or as directed by the Underwriter and the proceeds received by the District from the sale of the Bonds shall be applied, as a supplemental appropriation by the District, for the payment of costs of issuance of the Bonds; and to the Escrow Account for application, in accordance with the Escrow Agreement, to the Refunded Bonds Requirements.

Section 13. Creation of Bond Account. There is hereby created and established a Bond Account for the Bonds, which shall be maintained by the District in accordance with the provisions of this Resolution. Moneys on deposit in the Bond Account shall be applied solely to the payment of the principal of, premium, if any, and interest on the Bonds and for no other purpose until the Bonds, including principal, premium, if any, and interest, are fully paid, satisfied and discharged.

Section 14. General Obligations; Security for the Bonds; Bond Account.

(a) **General Obligations.** The Bonds shall be general obligations of the District, payable from the ad valorem property taxes levied by the District pursuant to this Section, other moneys transferred to or deposited into the Bond Account pursuant to this Resolution and other moneys made available for the payment of the principal of, premium, if any, and interest on the Bonds pursuant to subsection (e) of this Section. The full faith and credit of the District are pledged for the punctual payment of the principal of, premium, if any, and interest on the Bonds.

(b) **Levy of Ad Valorem Taxes.** For the purpose of paying the principal of, premium, if any, and interest on the Bonds when due, respectively, the Board shall, before such time provided for by law for levying other District taxes, annually determine a rate of levy for general ad valorem taxes, without limitation as to rate or amount, on all of the taxable property within the District, that will be sufficient, when combined with amounts then on deposit in the Bond Account and the amounts projected to be deposited to the Bond Account in the immediately succeeding calendar year pursuant to subsection (e) of this Section, to pay the principal of, premium, if any, and interest on the Bonds when due, respectively, whether at maturity or upon earlier redemption, in the immediately succeeding calendar year. The Board shall, in certifying annual levies for general ad valorem taxes, take into account the maturing indebtedness of the Bonds for the ensuing year, deficiencies and defaults of prior years and any reimbursement to be made pursuant to subsections (d) or (e) of this Section and shall make ample provision for the payment thereof. The general ad valorem taxes levied pursuant to this subsection, when collected, shall be deposited into the Bond Account.

(c) **Covenant Upon Deficiency in Bond Account.** Notwithstanding anything else contained herein, the District hereby irrevocably covenants and agrees that, in the event that amounts on deposit in a Bond Account on any date on which the District is required to deposit amounts with the Paying Agent pursuant to subsection (g) of this Section is less than the amount sufficient to pay the principal of, premium, if any, and interest on the Bonds on the corresponding Interest Payment Date, the Board shall immediately transfer previously appropriated moneys determined by the Board to be available for such purpose in the amount of such deficiency from the general fund or any other legally available fund of the District to the Bond Account for the payment of such amounts, and shall promptly pass and adopt supplemental or emergency ordinances or resolutions as are required to effectuate such transfer and use. Thereafter, such appropriations and transfers from moneys determined by the Board to be available for such purpose shall continue to be made in such amounts and with sufficient frequency to assure that the moneys on deposit in the Bond Account shall be sufficient to pay the

principal of, premium, if any, and interest on the Bonds when due. Upon the next succeeding levy of ad valorem property taxes for the Bonds pursuant to subsection (b) of this Section, the taxes levied pursuant thereto shall include amounts sufficient to reimburse the fund from which amounts were transferred pursuant to this subsection and such reimbursement shall be made and appropriation made therefor upon the collection of such taxes.

(d) ***Levy of Additional Ad Valorem Taxes.*** If the moneys on deposit in the Bond Account, including, but not limited to, moneys of the District deposited therein pursuant to subsections (c) and (e) of this Section, are not sufficient to pay punctually the annual installments on the contracts or bonds of the District, and interest thereon, and to pay defaults and deficiencies, the Board shall make such additional levies of taxes as may be necessary for such purposes, and such taxes shall be made and continue to be levied until the indebtedness is fully paid. The general ad valorem taxes levied pursuant to this subsection, when collected, shall be deposited into the Bond Account.

(e) ***Use or Advance of Other Legally Available Moneys.*** Nothing herein shall be interpreted to prohibit or limit the ability of the District to use legally available funds of the District other than moneys required by this Resolution to be transferred to or deposited into the Bond Account to pay all or any portion of the principal of, premium, if any, or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of, premium, if any, or interest on the Bonds, the District may, but shall not be required to, (i) reduce the amount of taxes levied for such purpose pursuant to subsection (b) of this Section or (ii) use proceeds of taxes levied pursuant to subsection (b) of this Section to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of, premium, if any, and interest on the Bonds. If the District selects alternative (ii) in the immediately preceding sentence, the taxes levied pursuant to subsection (b) of this Section shall include amounts sufficient to fund the reimbursement.

(f) ***Appropriation and Budgeting of Proceeds of Moneys.*** All amounts transferred to or deposited into the Bond Account pursuant to this Resolution are hereby appropriated for that purpose, and all amounts required to pay the principal of, premium, if any, and interest on the Bonds when due, respectively, in each year shall be included in the annual budget and appropriation resolution to be adopted and passed by the Board for such year.

(g) ***Deposit of Moneys to Pay Bonds With, and Payment of Bonds By, Paying Agent.*** No later than the 2 calendar days (or such other number of days agreed upon between the District and the Paying Agent) immediately preceding each Interest Payment Date, the District shall, from moneys on deposit in the Bond Account or other moneys made legally available pursuant to subsection (e) of this Section, deposit moneys with the Paying Agent in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds on such date. The Paying Agent shall use the moneys so deposited with it to pay the principal of, premium, if any, and interest on the Bonds when due.

Section 15. Investments. Moneys on deposit in the Bond Account and the Rebate Account and any moneys held by the Paying Agent with respect to the Bonds shall be invested at the written direction of the District in Permitted Investments, provided that the investment of such moneys shall be subject to any applicable restrictions set forth in the Tax Letter of Instructions and the Tax Compliance Certificate delivered by the District in connection with the issuance of the Bonds that describes the District's expectations regarding the use and investment of proceeds of the Bonds and other moneys. Except as otherwise provided above, earnings from the investment of moneys separately accounted for to pay principal of, premium, if any, and interest on the Bonds shall be transferred to the Rebate Account in the amounts and at the times required to fund the Rebate Account in accordance with the Tax Letter of Instructions and all other earnings from the investment of moneys shall be retained in the account in which earned.

Section 16. Escrow Account.

(a) ***Establishment and Maintenance of Escrow Account.*** There is hereby authorized and directed to be established pursuant to the terms of the Escrow Agreement a special account designated as the "Heather Gardens Metropolitan District, General Obligation Refunding Bonds, Series 2017 Bond Escrow Account" (the "Escrow Account"), which shall be maintained in accordance with the provisions hereof and of the Escrow Agreement. The Escrow Account shall be maintained in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the Refunded Bond Requirements with respect to the Refunded Bonds. Except as may be otherwise provided in the Escrow Agreement, the District shall have no right or title to the moneys credited to or held in the Escrow Account, and such title shall be and is hereby transferred to the Escrow Agent in trust for the payment of the Refunded Bond Requirements for the Refunded Bonds pursuant to the Escrow Agreement. Moneys shall be withdrawn by the Escrow Agent from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the Refunded Bond Requirements for the Refunded Bonds. If for any reason the amount in the Escrow Account shall at any time be insufficient for the purpose hereof, the District shall, forthwith from the first moneys available therefor, deposit in such account such additional moneys as shall be necessary to permit the payment in full of the Refunded Bond Requirements for the Refunded Bonds. Any moneys remaining in the Escrow Account after payments of the Refunded Bonds Requirements shall be deposited in the Bond Account.

(b) ***Call of Refunded Bonds.*** The Board does hereby declare its intent to exercise on behalf of and in the name of the District its option to redeem all of the Refunded Bonds on the Redemption Date. The District hereby authorizes and irrevocably instructs the Escrow Agent, in its capacity as Refunded Bonds Paying Agent to give or cause to be given a notice of refunding, defeasance and redemption of the Refunded Bonds on the Redemption Date in accordance with the provisions of the Refunded Bonds Resolution.

Section 17. Limitation on Issuance of Additional Bonds. Nothing herein shall affect or restrict the right of the District to issue or incur general obligations or any other indebtedness,

provided that under no circumstances shall the District issue indebtedness in excess of that authorized by eligible electors of the District, if applicable, and the District's Statement of Purpose, as the same may be amended from time to time.

Section 18. Federal Income Tax Covenants. For purposes of ensuring that the interest on the Bonds is and remains excludable from gross income for federal income tax purposes, the District hereby covenants, for the benefit of the Owners of the Bonds, that:

(a) ***Prohibited Actions.*** The District will not use or permit the use of any proceeds of the Bonds or any other funds of the District from whatever source derived, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or would otherwise cause the interest on any Bond to be included in gross income for federal income tax purposes.

(b) ***Affirmative Actions.*** The District will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the District on the Bonds shall not be included in gross income for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the District represents, warrants and covenants to comply with the following rules, unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Bonds will not be used in a manner that will cause Bonds to be considered "private activity bonds" within the meaning of the Code; (ii) the Bonds are not and will not become directly or indirectly "federally guaranteed"; and (iii) the District will timely file an Internal Revenue Service Form 8038-G with respect to the Bonds, which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

(c) ***Tax Letter of Instructions.*** The District will comply with the Tax Letter of Instructions delivered to it on the date of issuance of the Bonds, including, but not limited by, the provisions of the Tax Letter of Instructions regarding the application and investment of Bond proceeds, the calculations, the deposits to the Rebate Account, the disbursements, the investments and the retention of records described in the Tax Letter of Instructions; provided that, in the event the Tax Letter of Instructions are superseded or amended by new Tax Letter of Instructions drafted by, and accompanied by an opinion of, Bond Counsel stating that the use of the new Tax Letter of Instructions will not cause the interest on the Bonds to become included in gross income for federal income tax purposes, the District will thereafter comply with the new Tax Letter of Instructions.

(d) ***Rebate Account.*** There is hereby created the "Heather Gardens Metropolitan District, General Obligation Refunding Bonds, Series 2017 Rebate Account" (the "Rebate Account"). The Rebate Account shall be funded pursuant to the Section hereof entitled "Investments" in the amounts and at the times provided in the Tax Letter of Instructions from earnings from the investment of moneys on deposit in the Bond Account for the Bonds, from earnings on moneys on deposit in the Rebate Account and other legally available moneys.

(e) **Bank Qualified Bonds.** The District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Section 19. Various Findings, Determinations, Declarations and Covenants. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants with the Owners of the Bonds that:

(a) pursuant to Article X, Section 20 of the State Constitution and Section 11-56-107, C.R.S., voter approval is not required for the issuance of the Bonds to the extent that the principal amount thereof does not exceed the original principal amount authorized at the Election, because the issuance of the Bonds will result in a lower net effective interest rate than the interest rates on the Refunded Bonds;

(b) the Bonds are issued for the purpose of reducing the net effective interest rate of the Refunded Bonds, and affecting other economies;

(c) it is in the best interest of the District and its residents that the Bonds be authorized, sold, issued and delivered at the time, in the manner and for the purposes provided in this Resolution;

(d) the total aggregate amount of bonded indebtedness of the District does not now, nor shall it upon the issuance of the Bonds, exceed any applicable limit prescribed by the Constitution or the laws of the State;

(e) the issuance of the Bonds and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State, including the Acts, and all conditions and limitations of the Acts, other applicable law, and the Statement of Purpose relating to the issuance of the Bonds have been or will be satisfied prior to the issuance of the Bonds;

(f) the District’s facilities and District’s other operations will be operated in an efficient and economical manner in accordance with all applicable laws, rules, and regulations, and keep and maintain separate accounts of the receipts and expenses thereof;

(g) at least once a year in the time and manner provided by law, the District will cause an audit to be performed of the records relating to District revenues and expenditures. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law;

(h) the District will carry fire and extended coverage, public liability, and such other forms of insurance on insurable District property as would ordinarily be carried by entities having similar properties of equal value; and

(i) the District will use its best efforts to oppose the creation of an urban renewal area within its boundaries or other tax increment financial mechanism that would entitle another entity to the collection of any portion of the District's taxes unless directed not to do so in writing by the registered Owners of not less than 51% of the aggregate principal amount of the Bonds then Outstanding.

Section 20. Delegation and Parameters.

(a) The Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Sale Certificate: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the parameters set forth in subsection (c) of this Section.

(b) The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

(i) The date on which the Bonds will be issued (which is also the Dated Date);

(ii) the aggregate principal amount of the Bonds;

(iii) the principal amount of the Bonds maturing in each year;

(iv) the principal amounts, if any, of Bonds subject to mandatory sinking fund redemption, and the years in which such Bonds will be subject to such redemption;

(v) the interest rate(s) to be borne by the Bonds;

(vi) the Interest Payment Dates, if different from as set forth herein;

(vii) the Bonds which may be redeemed at the option of the District, the dates upon which such optional redemption may occur, and the prices at which such Bonds may be optionally redeemed;

(viii) the identity of Bond Insurer, if any;

(ix) the Bonds, if any, constituting Insured Bonds; and

(x) the definition of "Permitted Investments," to the extent required to cause the issuance of the Bond Insurance Policy.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Sale Certificate after the date that is 180 days after the date of adoption of this Resolution and in no event may the Bonds be issued after such date, absent further authorizations by the Board;

(ii) the aggregate principal amount of the Bonds shall not exceed \$9,000,000;

(iii) the Bonds shall mature not later than December 1, 2040;

(iv) the net effective interest rate on the Bonds shall be lower than the net effective interest rate of the Refunded Bonds;

(v) the sale price of the Bonds shall be an amount not less than 97% of the aggregate principal amount of the Bonds;

(vi) any redemption premium shall not be in excess of 3% of the principal amount so redeemed; and

(vii) the aggregate principal of, premium, if any, and interest to come due on the Bonds, when compared to the aggregate principal of, premium, if any, and interest to come due on the Refunded Bonds, must produce a net present value savings to the District of not less than 5%.

Section 21. Authorization to Execute Documents. For a period 180 days following the adoption of this Resolution, the Board authorizes the Sale Delegate to execute the Sale Certificate in accordance with the provisions hereof. The President or Secretary or any other duly authorized officer of the District, shall, and they are hereby authorized and directed to, take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of the Paying Agent Agreement, the Bond Purchase Agreement, the Continuing Disclosure Undertaking, and the Escrow Agreement in substantially the forms presented to this meeting of the Board, with such changes therein, if any, not inconsistent herewith, as are approved by the District (which, once executed by the appropriate District official, shall constitute conclusive evidence of approval of the District), a Tax Compliance Certificate or similar certificate describing the District's expectations regarding the use and investment of proceeds of the Bonds and other moneys, an Internal Revenue Service Form 8038-G with respect to the Bonds, and all other documents and certificates necessary or desirable to effectuate the issuance of the Bonds, the investment of proceeds of the Bonds and the other transactions contemplated hereby. The execution by the President or Secretary or any other duly authorized officer of the District of any documents authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 22. Authorization of Bond Insurance. The Underwriter may request, on behalf of the District, the submittal of bids to issue the Bond Insurance Policy. In the event that the Sale Delegate determines, based in part upon information provided by the Underwriter, that the premium bid for issuance of the Bond Insurance Policy is less than the interest cost savings to be realized by the District as a result of the issuance of the Bond Insurance Policy, the Board hereby delegates to the Sale Delegate the authority to execute the Commitment with the Bond

Insurer designated by the Sale Delegate, provided that the Bond Insurer shall be listed in The Bond Buyer's Municipal Marketplace Directory—Spring 2017, published by Thomson Media. The officers of the District are also hereby authorized and directed to take all actions necessary to cause the Bond Insurer to issue the Bond Insurance Policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith and entering into any authorizing agreement and undertaking any obligations not inconsistent herewith necessary to cause the issuance of the Bond Insurance Policy. The execution of the Commitment by the Sale Delegate or appropriate officer of the District is hereby ratified and approved. The Sale Delegate is also authorized to set forth in the Sale Certificate such terms not inconsistent with the terms hereof as may be required by the Bond Insurer to cause the issuance of the Bond Insurance Policy. The provisions set forth in the Sale Certificate, including but not limited to provisions required in connection with the issuance of the Bond Insurance Policy, are hereby incorporated by reference into this Resolution.

Section 23. Post-Issuance Tax Compliance Policy. The Board hereby approves the Post-Issuance Tax Compliance Policy and the designation of the "Responsible Person" provided therein to ensure compliance with federal tax laws relating to tax-exempt debt of the District.

Section 24. Continuing Disclosure. In an effort to cure any past failures to comply with the District's past continuing disclosure obligations and to maintain compliance with the District's responsibilities under the Continuing Disclosure Undertaking, the Board hereby authorizes, designates and directs the entity providing accounting services to the District (currently the Heather Gardens Association pursuant to a Management Agreement, dated as of September 2, 2015) to prepare on the District's behalf, subject to review and approval by any officer of the District, the filings required by the Continuing Disclosure Undertaking.

Section 25. Defeasance. When all principal, interest, and premium, if any, in connection with any Bond have been duly paid, the pledge and lien and all obligations of the District hereunder with respect to such Bond shall thereby be discharged and such Bond shall no longer be deemed to be Outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the District has placed in escrow and in trust with a commercial bank located within or without the State, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested, which Federal Securities shall not contain provisions permitting the redemption or prepayment thereof at the option of the issuer) to meet all requirements of principal, interest, and premiums, if any, on such Bond or Bonds, as the same become due to their final maturities or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of the escrow shall be determined by a Certified Public Accountant.

Section 26. Events of Default. The occurrence or existence of any one or more of the following events shall be an Event of Default hereunder:

(a) payment of the principal of or redemption premium on any Bond is not made by the District when due;

(b) payment of any interest on any Bond is not made by the District when due;

(c) the District defaults in the performance of any other of its covenants in this Resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding; or

(d) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Bonds.

Section 27. Remedies For Events of Default. Upon the occurrence and continuance of an Event of Default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner under this Resolution by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction; provided, however, that only an Owner of the Bonds shall be entitled to institute a proceeding with respect to the breach by the District of any covenant set forth in the Section hereof entitled "Federal Income Tax Covenants." All such proceedings shall be instituted, had, and maintained for the equal benefit of all Owners of the Bonds then Outstanding; provided, however, that only the Owners of the Bonds shall be entitled to any recovery resulting from the breach by the District of any covenant set forth in the Section hereof entitled "Federal Income Tax Covenants." In no event shall acceleration of the Bonds be an available remedy upon an Event of Default.

Section 28. Permitted Amendments to Resolution. The District may, without the consent of or notice to the Owners, adopt amendments or supplements to this Resolution, which amendments or supplements shall thereafter form a part hereof, for any one or more of the following purposes:

(a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Resolution, or to make any provisions for any other purpose, if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

(b) to assure that the interest on the Bonds continues to qualify for exclusion from gross income for federal income tax purposes;

(c) to subject to this Resolution or pledge to the payment of the Bonds additional revenues, properties, or collateral; and

(d) to grant or confer upon the Owners any additional rights, remedies, powers, or authority that may be lawfully granted to or conferred upon the Owners.

Section 29. Amendments Requiring Consent of Owners. Except for amendatory or supplemental resolutions adopted pursuant to the Section hereof entitled "Permitted

Amendments to Resolution,” the Owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding (or for modifications of provisions hereof which require the consent of a percentage of Owners higher than two-thirds, such higher percentage) shall have the right, from time to time, to consent to and approve the adoption by the District of such resolutions amendatory or supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided however, that without the consent of the Owners of all the Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Bond, in the principal amount of any Bond or the rate of interest thereon, or in the terms of prior redemption of any Bond;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of, premium, if any, or interest on the Bonds when due;

(c) a privilege or priority of any Bond or any premium or interest payment over any other Bond or premium or interest payment; or

(d) a reduction in the percentage in principal amount of the Bonds the consent of whose Owners is required for any such amendatory or supplemental resolution.

If at any time the District shall desire to adopt an amendatory or supplemental resolution for any of the purposes of this Section, the District shall cause notice of the proposed adoption of such amendatory or supplemental resolution to be given by mailing such notice by certified or registered first-class mail to the Bond Insurer and to each Owner of a Bond at the address shown on the registration books of the Paying Agent or by electronic means to DTC or its successors, at least 30 days prior to the proposed date of adoption of any such amendatory or supplemental resolution. Such notice shall briefly set forth the nature of the proposed amendatory or supplemental resolution and shall state that copies thereof are on file at the offices of the District or some other suitable location for inspection by all Owners. If, within 30 days or such longer period as shall be prescribed by the District following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such amendatory or supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Section 30. Effect of Amendment. Upon the execution of any amendatory or supplemental resolution pursuant to this Resolution, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Resolution of the District, the Paying Agent, and all Owners of Bonds then

Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

Section 31. Provisions Relating to Bond Insurer. Notwithstanding any other provision hereof, with respect to the Insured Bonds, if any, the provisions related to the Bond Insurer set forth in the Sale Certificate, if any, are hereby incorporated herein and shall apply so long as the Bond Insurer is not in default under the terms of the Bond Insurance Policy.

Section 32. Removal or Resignation of Paying Agent; Successors. The Paying Agent may resign, or may be removed by the District at any time, with or without cause. In the event of the removal or resignation of the Paying Agent, the District shall appoint a successor as soon thereafter as may be practicable, and in such event, shall give written notice thereof to each Owner by mailing to the addresses shown on the registration books for the Bonds. Any successor Paying Agent shall:

- (a) be a trust company or bank in good standing located in or incorporated under the laws of the State;
- (b) be duly authorized to exercise trust powers;
- (c) be subject to examination by a federal or state authority; and
- (d) maintain a reported capital and surplus of not less than ten million dollars (\$10,000,000).

Section 33. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 34. Official Statement. The Board hereby approves the finalization, distribution and use of the Preliminary Official Statement relating to the Bonds in connection with the offering of the Bonds and authorizes the preparation of a final Official Statement for use in connection with the sale of the Bonds, in both cases in substantially the form thereof presented to the Board at the meeting at which this Resolution is adopted, with such changes therein, if any, not inconsistent herewith, as are approved by the President of the District, and as are necessary so as not to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President is hereby authorized and directed to execute the final Official Statement.

Section 35. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds provided herein shall be governed by Section 11-57-208, C.R.S., of the Supplemental Act and this Resolution. The amounts pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons

having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 36. No Recourse against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 37. Conclusive Recital. Pursuant to Section 11-57-210, C.R.S., of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 38. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than 30 days after the authorization of such securities.

Section 39. Holidays. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent is authorized or required by law to remain closed.

Section 40. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 41. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 42. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.


Section 43. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 44. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

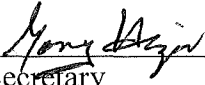
ADOPTED AND APPROVED this 19th day of October, 2017.

HEATHER GARDENS METROPOLITAN
DISTRICT

[SEAL]

By: 
President

ATTEST:

By: 
Secretary

[Signature page to Resolution]

Thereupon, Director Baldwin moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director McMullen, put to a vote, and carried on the following recorded vote:

Those voting AYE: All

Those voting NAY: None

Those abstaining: None

Those absent: None

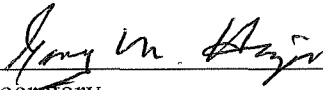
Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted, and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.
HEATHER GARDENS METROPOLITAN DISTRICT)

I, Gary M. Hizer, Secretary of Heather Gardens Metropolitan District, in the City of Aurora, Colorado (the "District"), do hereby certify that the foregoing pages numbered 1 through 25 inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of the District relating to the adoption of a resolution authorizing the issuance of General Obligation Refunding Bonds, Series 2017, and other matters relating thereto, adopted at a regular meeting held at Heather Gardens Community Center, 2888 S. Heather Gardens Way, Aurora, Colorado, on Thursday, the 19th day of October, 2017, at the hour of 1:00 p.m., as recorded in the official record of proceedings of the District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at the meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted at three public places within the District, and at the offices of the Arapahoe County Clerk and Recorder, at least three days prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 19th day of October, 2017.

[S E A L]



Secretary

APPENDIX A

FORM OF BOND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A LIMITED PURPOSE TRUST COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF COLORADO**

No. R-__ \$ _____

**HEATHER GARDENS METROPOLITAN DISTRICT
IN THE CITY OF AURORA, COLORADO
GENERAL OBLIGATION REFUNDING BOND
SERIES 2017**

INTEREST RATE:	MATURITY DATE:	ORIGINAL DATED DATE:	CUSIP:
_____%	December 1, 20__	_____, 2017	_____

REGISTERED OWNER: CEDE & CO.
Tax Identification Number: 13-2555119

PRINCIPAL SUM: ** _____ DOLLARS**

Heather Gardens Metropolitan District, in the City of Aurora, Colorado (the "District"), a legally and regularly created, established, organized and existing quasi-municipal corporation under the provisions of the Special District Act (Title 32, Article 1, Colorado Revised Statutes, as amended ("C.R.S.)) and political subdivision of the State of Colorado (the "State"), for value received, hereby promises to pay to the order of the registered owner named above, or registered assigns, the principal sum stated above on the maturity date stated above, with interest on such principal sum from the original dated date stated above at the interest rate per annum stated above (calculated based on a 360-day year of twelve 30-day months), payable on June 1 and December 1 of each year, commencing June 1, 2018. The principal of and premium, if any, on

this Bond are payable to the registered owner hereof upon presentation and surrender of this Bond at the principal office of ZB, National Association dba Zions Bank, as Paying Agent (the "Paying Agent"), in Denver, Colorado. Interest on this Bond is payable by check or draft of the Paying Agent mailed on the Interest Payment Date to the registered owner hereof as of the 15th day of the month (whether or not such day is a Business Day, as defined in the below-mentioned Resolution) preceding the month in which such Interest Payment Date occurs; provided that, interest payable to the registered owner of this Bond may be paid by any other means agreed to by such registered owner and the Paying Agent that does not require the District to make moneys available to the Paying Agent earlier than otherwise required under the Resolution or increase the costs borne by the District under the Resolution. Any payment of principal of or interest on this Bond that is due on a day that is not a Business Day (as defined in the below-mentioned Resolution) shall be made on the next succeeding day that is a Business Day with the same effect as if made on the day on which it was originally scheduled to be made. All payments of principal of, premium, if any, and interest on this Bond shall be made in lawful money of the United States of America.

This Bond is part of an issue of general obligation bonds of the District designated Heather Gardens Metropolitan District, in the City of Aurora, Colorado, General Obligation Refunding Bonds, Series 2017, issued in the principal amount of \$_____ (the "Bonds"). The Bonds have been issued pursuant to, under the authority of, and in full conformity with, the State Constitution and the District's Statement of Purpose; the laws of the State, including, in particular, Article 1 of Title 32, C.R.S., Article 56 of Title 11, C.R.S., and Part 2 of Article 57 of Title 11, C.R.S., (collectively, the "Acts"); and pursuant to an authorizing resolution (the "Resolution") adopted by the Board of Directors of the District (the "Board"). Capitalized terms used but not defined in this Bond have the meaning assigned to them in the Resolution. THE RESOLUTION CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE DISTRICT. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE RESOLUTION, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

The Bonds have been issued by the District for the purpose of providing funds for the refunding of the Refunded Bonds, as described in the Resolution. The Bonds are general obligations of the District, and the full faith and credit of the District are pledged for the punctual payment of the principal of, premium, if any, and interest on the Bonds. For the purpose of paying the principal of, premium, if any, and interest on the Bonds when due, respectively, the Board shall, before such time provided for by law for levying other District taxes, annually determine a rate of levy for general ad valorem taxes, without limitation as to rate or amount, on all of the taxable property within the District, that will be sufficient, along with any other moneys deposited to the Bond Account pursuant to the Resolution, to pay the principal of, premium, if any, and interest on the Bonds when due, respectively, whether at maturity or upon earlier redemption.

[Redemption Provisions to be Inserted]

Except as set forth above, notice of any redemption of Bonds shall be given by the Paying Agent by sending a copy of such notice by first-class, postage prepaid mail or by

electronic means to DTC or its successors, not less than 30 days prior to the redemption date, to the registered owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled. If less than all of the Bonds within a maturity and series are to be redeemed on any prior redemption date, except as provided in Section 5(a) of the Resolution, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Paying Agent shall determine.

The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name this Bond shall be registered on such registration books shall be deemed to be the absolute owner hereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice or other information to the contrary. Subject to the limitations of the Resolution, this Bond may be transferred or exchanged at the principal operations office of the Paying Agent in Denver, Colorado for a like aggregate principal amount of Bonds of other authorized denominations of the same of the same type, maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Notwithstanding any other provision of the Resolution, the Paying Agent shall not be required to transfer any Bond (a) which is scheduled to be redeemed in whole or in part between the Business Day immediately preceding the mailing of the notice of redemption and the redemption date or (b) between the Record Date for any Interest Payment Date and such Interest Payment Date.

The Resolution may be amended or supplemented from time to time with or without the consent of the registered owners of the Bonds as provided in the Resolution.

It is hereby certified that all conditions, acts and things required by the State Constitution, the Statement of Purpose, the Acts, and the resolutions of the District, to exist, to happen and to be performed, precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that neither this Bond nor the other Bonds exceed any limitations prescribed by the State Constitution, the Statement of Purpose, the Acts, or the resolutions of the District.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the Paying Agent shall have signed the certificate of authentication hereon.

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained

herein, in the resolution of the District authorizing the issuance of this Bond and in the Statement of Purpose for creation of the District.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the District has caused this Bond to be executed with the manual or facsimile signature of its President and attested by the manual or facsimile signature of the Secretary and has caused the seal of the District to be impressed or imprinted hereon, all as of the date set forth above.

[SEAL]

HEATHER GARDENS METROPOLITAN
DISTRICT, in the City of Aurora, Colorado

By: _____
President

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

Dated: _____

ZB, National Association dba Zions Bank, as
Paying Agent

By: _____
Authorized Signatory

[INSERT STATEMENT OF INSURANCE IF APPLICABLE]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

**(Please print or typewrite name and address of Transferee)
(Tax Identification or Social Security No.)**

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it
appears upon the face of the within Bond in every particular, without alteration or
enlargement or any change whatever.

Signature Guaranteed by a Member of the Medallion Signature Program:

Name and address of transferee:

Social Security or other tax
identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face
of the within Bond in every particular, without alteration or enlargement or any change
whatsoever.

TRANSFER FEE MAY BE REQUIRED

APPENDIX B
ELECTION QUESTION