

MINUTES OF THE CONTINUED REGULAR MEETING OF
THE BOARDS OF DIRECTORS

WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2
and 3

Held: March 9, 2005, at 8:30 a.m. at 102 Pikes Peak Avenue,
Suite 200, Colorado Springs, Colorado.

Attendance

A joint meeting of the boards of directors of Woodmen Heights Metropolitan District Nos. 1, 2 and 3 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:

Lindsay J. Case
Les Krohnfeldt
Randle W. Case II
James Morley

Director Robert Case was absent. All director absences, if any, are deemed excused unless a contrary notation is recorded in these minutes.

Also present: Eric Smith; Steven Mulliken, Esq.; Virgil Sanchez; Jim Hamel; Paul Howard; Jim Worley of RS Wells and Christine Harwell from Clifton Gunderson; and K. Sean Allen, Esq., White, Bear and Ankele Professional Corporation, District General Counsel.

Combined Meeting

The districts are meeting in a combined board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Woodmen Heights Metropolitan District No. 1 ("District 1") with concurrence by Woodmen Heights Metropolitan District No. 2 ("District 2") and Woodmen Heights Metropolitan District No. 3 ("District 3").

Call to Order

Director Lindsay Case, chairman, noted that a quorum of each of the boards was present and that the directors had confirmed their

qualification to serve, and therefore called the meetings to order.

Director Qualification

The directors in attendance confirmed their qualification to serve on the boards of directors.

Disclosure Matters

Mr. Allen advised the boards that, pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The boards reviewed the agenda for the meeting, following which each board member confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting.

Inclusion

Mr. Sanchez updated the boards as to the status of inclusion petitions received, pending and those no longer expected. He also mentioned the possibility of a new inclusion from CGM Services, Inc. of approximately 80 acres. A discussion took place as to City annexation status of land desiring to join the Districts, which have yet to be annexed into the City. The development plans of the potential inclusions were discussed in light of the assessed valuation they would produce compared to the costs of improvements they would want the District to pay for, and bond issue matters were discussed. All Petitions are desired to be received by April 15, 2005 in order to be considered at the May 4, 2005 continued inclusion hearings. City approval of the inclusions is expected prior to the May 4th meeting.

Pond No. 2

The Pond No. 2 land purchase, pond construction, cost recovery and relief of other pond construction matters were discussed. Mr. Allen noted that a draft agreement for the purchase of the land for Pond No. 2 has been reviewed and revisions suggested. Further discussion is expected on the issue.

Church Agreement

Mr. Mulliken noted that a second draft of the Church Agreement is pending and that a few issues remain as to assignment of the agreement.

Consultants

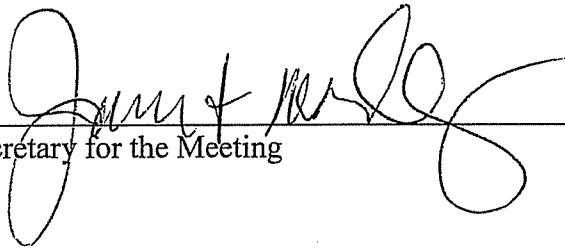
Jim Worley of RS Wells and Christine Harwell of Clifton Gunderson attended the meeting and discussed the provision of district manager services and accounting services respectively.

The boards requested that scope of service proposals and engagement contracts be submitted for consideration and approval.

Adjournment

Upon motion duly made, seconded and unanimously carried, the boards determined to adjourn the meeting.

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


Secretary for the Meeting

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Minute Book