

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

Held: November 12, 2009, at 4:00 p.m. at 2811 S. Xanadu Way, Aurora, Colorado.

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

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

Excused – James Bruce

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

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

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

Approval of Minutes            Motion made and seconded to approve the minutes of the September 10, 2009 meeting. The motion passed unanimously.

Land Purchase Contract & Earnest Money            Director Rowland reported that the earnest money deposit was secured from a loan with Citywide Banks and that the land purchase closing will take place on or around November 23<sup>rd</sup>, with financing of the land closing (i.e. bond issue and closing) expected to occur simultaneously therewith or by December 1<sup>st</sup>. Transfer of physical possession of the golf course over to the District is targeted for December 1<sup>st</sup>.

General Obligation Bonds            Mr. Allen reported that according to Piper Jaffray and Bond Counsel, negotiations with US Bank relative to the final terms and structure for the bonds have been moving forward and US Bank is fully expected to give a commitment within a week. Therefore, a bond authorization meeting of the District was scheduled for November 23<sup>rd</sup>. Mr. Allen will provide the District with the required bond authorization notices to be posted for the meeting.

District Insurance            Mr. Allen informed the board that the District will need to immediately secure public official, general liability and property insurance as a result of the District's purchase of the golf course and issuance of bonds. Mr. Allen explained that to obtain insurance, the District will need to join the SDA, engage T Charles Wilson for insurance agent services, and enter into an IGA and pass a resolution relative to the Colorado Special Districts Property and Liability Pool. Mr. Allen further explained that the insurance would be effective immediately for a pro rated cost through the remainder of 2009, and that renewals will be required in January 2010 for a full 12-month period at a full 12-month premium/cost. Motion and second to have the District join the SDA, engage T Charles Wilson as agent, and secure insurance by entering into the IGA with the Colorado Special Districts Property and Liability Pool and passage of resolution concerning the same. Motion passed unanimously.

County Open space  
Grant

Director Rowland stated that a grant from the County is a possible source of revenue for use in and on the District's open space in the amount of \$250,000 conditioned upon the District funding of \$50,000 for the same. The grant committee continues to work toward securing grant and other similar money for the District.

Advisory Board

Discussion concerning the creation of an advisory board which will be responsible for and serve as the open space/golf course management arm of the District enabled to make decisions relative thereto, and approve District expenses of up to a maximum level before requiring District board approval. Motion and second for the creation of the advisory board passed unanimously. Further refinement of the advisory board parameters will be forthcoming.

Adjourn

Motion made and seconded to adjourn. Meeting was adjourned.

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

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Secretary for the Meeting