

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

Held: November 18, 2010, at 4:00 p.m. at 13521 East Iliff Ave., Aurora, Colorado.

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

Errol Rowland	James Bruce	Mary Lou Braun
Joan Beldock	Vincent Roith	Melissa Miller
Van Lewis		

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

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

Approval of Agenda The agenda was reviewed. Motion made and seconded to approve the agenda with the addition of UAHR, Inc., officer introduction. The motion passed unanimously.

Approval of Minutes The minutes from the October 21, 2010 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

Financial Ms. Wheeler presented the financial statement, current cash flow analysis, and invoices/claims payable. After consideration of the current and interim invoices, upon motion and second, the invoices were approved and ratified respectively for payment with Director Beldock abstaining. The financial statement was unanimously accepted.

2010 Budget Amendment Mr. Allen reported that notice for the 2010 budget amendment hearing and 2011 budget hearing had been published in accordance with statutory requirements. Ms. Wheeler informed the board that the enterprise fund (golf course) of the 2010 budget needs to be amended to account for more revenues and expenditures than originally budgeted within said fund. Director Rowland opened the public hearing on the 2010 budget amendment for comments. After hearing public comments, the hearing was closed. Upon additional discussion, a motion was made by Director Lewis and seconded by Director Rowland to amend the 2010 budget as presented to appropriate the additional revenues necessary to pay for the expected expenditures in 2010. Motion passed unanimously.

2011 Budget Ms. Wheeler presented the 2011 annual budget to the board. Discussion relative to the additional residential units that were mistakenly and previously omitted from the tax rolls by the county and its impact on increasing the overall assessed valuation of the District. Discussion about the need to annually building a reserve in anticipation of making a balloon debt service payment in year 7 of the bonds. Director Rowland opened the public hearing on the 2011 budget for comments. After hearing public comments the hearing was closed. A motion was made by Director Roith, seconded by Director Bruce, to adopt the 2011 budget, appropriate the revenues necessary for the expenditures and set the 2010 mill levy for collection in 2011. Motion passed unanimously.

Golf Course Operation Mr. Ritter, for The Golf Club at Heather Ridge, Inc. ("GCAT"), reported to the

Report by Golf Course Management

Board that the recent implementation of Quick Books will allow for GGAT to produce real time reports to be provided to the District. Mr. Ritter also noted that it will present recommended revisions to the management agreement GCAT has with the District including items such as pro shop merchandise and the elimination of the monthly management fee. Mr. Ritter reported that GCAT is having discussions with Dumitri and other potential restaurant operators relative to leasing the current restaurant space with the goal of having restaurant use of the space produce as a net revenue source without any golf course subsidy. Discussion about restaurant atmosphere options such as bar/grill and country club relative to potential revenue. Discussion about marketing efforts for renting the ballroom.

Mr. Griffiths and Mr. Ritter reported as to the status of progress made in moving forward with the replacement of the golf course water deliver system relative to financing and irrigation vendor proposals. Mr. Allen stated that the District will need to have bond counsel involved for the potential bond that the District would issue as part of the overall financing for the project.

Repair/Construction Contracts

Director Roith reported that repairing the walking paths is an incremental and ongoing project. Discussion relative to building permit application costs charged by the City for driving net installation.

General Matters

UAHR, INC. Reactivation. Representative from UAHR, INC. informed the board that it is in the reactivation process, has held 2 meetings and will be presenting ideas for community improvements. UAHR, INC. meets the first Tuesday of each month at 6:00 p.m.

Metro Matters Publication. Director Lewis reported that the reactivation of UAHR, INC. will be mentioned.

Clubhouse Pool. The pool committee reported that the pool refurbishment and marketing/membership issues have resulted in a recommendation to delay the opening of the pool to potentially September 1, 2011 at this time.

Grants. Director Rowland suggested that due to the City's position relative to having districts compete against the City for grants, that any future grant opportunities will likely involve grants that are non-competing.

By-Laws. Discussion about creating by-laws for consideration and adoption in 2011.

Rescinding District Advisory Board. Discussion about there being no longer a need for the advisory board. Motion and second to rescind the advisory board resolution and termination of the advisory board passed unanimously.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on December 16, 2010, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting