

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

Held: February 17, 2011, 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 (excused absence)
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, 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 and stated the District's mission statement: **Preserving the Heather Ridge open space - Maintained best as a golf course**

Conflict Disclosure The agenda for the meeting was reviewed and nothing appeared on the agenda for which disclosure certificates had not been filed.

Approval of Agenda Motion made and seconded to approve the agenda with the addition of the eight (8) day liquor license extension on the restaurant lease. The motion passed unanimously.

Minutes The minutes from the January 20, 2011 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

UAHR, Inc. Community
Report UAHR, Inc., reported that three (3) community information meetings were held about the District's new restaurant lease and financing for the golf course irrigation project.

Director Rowland briefly introduced that a new entity, the Heather Ridge Community Association ("HRCA"), is anticipated which will help inform the District's community of current events and is expected to have its operational budget funded by the District. More discussion is expected at the March 2011 regular meeting.

Financial Ms. Wheeler presented the January 31, 2011 financial statements, current cash flow analysis, and invoices/claims payable. After consideration of the current and interim invoices, and upon motion and second, the invoices were unanimously approved and ratified respectively for payment. Motion and second to accept the financial statements passed unanimously.

Irrigation Project Report Mr. Ray Griffiths and Mr. Allen reported to the Board about the status of the financing relative to the irrigation project. It was noted that the Bank is willing to give the District a closing extension to allow the District more time to negotiate with the leasing company for certain irrigation equipment. Mr. Allen noted that the lease must be structured properly as non-debt and that he and bond counsel have been negotiating various terms of the proposed lease with the leasing company, but

that certain required terms under Colorado statutory and case law are being met with some resistance by the out of state leasing company.

Mr. Allen noted that the Board needs to formally ratify the engagements of Piper Jaffray for its role in the Series 2011 Bond and the engagement of Sherman and Howard for its role in the equipment lease transaction. Motion and second to ratify the engagements passed unanimously.

Mr. Allen informed the Board that District approval of the bond resolutions and other bond documents will be tabled to allow the District more time to negotiate with the leasing company in hopes of securing a lease that conforms as a non-debt structured lease.

Golf Course Operation Report

Mr. Ritter, for The Golf Club at Heather Ridge, Inc. ("GCAT"), reported that it has eliminated dual roles so that no GCAT board member is also an employee, and that GCAT is transitioning from a start up entity to a sustained ongoing entity and undergoing a revamping of its financial system relative to budgeting, forecasting and operational needs.

Mr. Ritter reported that weather conditions closed the course for 22 days in January. He further reported on the recent Golf Expo show attended by GCAT.

Mr. Griffiths updated the Board on the restaurant re-modeling progress.

Discussion relative to the lessee's need for an additional eight (8) days within the liquor license contingency provision of the restaurant lease to allow more time to secure the license from the City. Motion and second was unanimously approved to grant the eight (8) day extension.

Capital Improvement Construction Report

Director Roith reported that the paths for Holes 1 and 7 have been repaired and that the driving range net equipment has arrived and work to install the equipment has been scheduled.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on March 17, 2011, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting