

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

Held: May 17, 2012, 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. A public audience was in attendance. 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 and Wheeler, District accountant.*

Call to Order & Quorum /  
Qualifications                    Director Rowland noted a quorum was present and all directors present confirm they were qualified to serve. Director Rowland recited the District's mission statement.

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                    The agenda was deemed acceptable by the board.

Minutes                                    The minutes from the January 19, 2012 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

UAHR, Inc. and HRCA  
Community Reports                    Discussion with UAHR, Inc., about suggested cost reduction possibilities. It was noted that the District fully expected that increased operation/administrative costs and demands for services from various consultants were to be experienced during the first few years of golf course ownership. It was acknowledged that increased District activity and increased consultant services associated understandably stemmed from the need for two bond issuances, an extensive irrigation project, numerous clubhouse modifications, repairs, restaurant lease matters, etc. The Board also discussed (i) how the past heightened level of activity has already decreased in 2012 thereby decreasing the frequency and need for monthly District meetings, and (ii) how demands for above normal services from consultants have been reduced resulting in cost reductions experienced in 2012 compared to the heightened activity levels and costs incurred in 2010 and 2011.

UAHR, Inc., made suggestions to the Board relative to future Director elections. Mr. Allen noted that the next director election is in May 2014, and the Board will have the opportunity to then implement the suggested additional notice/awareness measures as it deems reasonable and cost effective.

HRCA will continue to create a plan to reduce production costs for Metro Matters in hopes of making it a self-sustaining service to the community.

Financial                                    Ms. Wheeler presented the April 2012 financial statements and invoices/claims payable. After review and consideration of the financial statements and the current and interim invoices, and upon motion by Director Lewis and second from Director

Bruce, the statements and invoices were unanimously approved with Director Rowland and Roith abstaining as to invoice approval relative and pertaining to their previously disclosed conflict of interest. Director Miller also abstained citing that she had not had an opportunity to review the data before the meeting.

2011 Audit

Ms. Wheeler led a discussion on the draft 2011 audit. Motion and second to approve 2011 audit, subject to any additional comments, passed unanimously. Ms. Wheeler requested that any additional comments on the audit be given by June 15<sup>th</sup>.

Golf Course Operation Report

Larry Ransford reported on the general financial conditions. It was noted that people are mentioning that the District's new front entrance sign on Iliff is getting noticed.

Asset Manager Report

Director Roith reported that the entrance sign is fully operational and joint use thereof with Noonan's has been cooperative. Parking lot repair work is being priced, and ADA compliance work at the clubhouse is ongoing.

Director Roith noted that Noonan's recently had its one year anniversary.

Bond Resolution Waiver

Mr. Allen reported that progress was made to address the 2009 Bond resolution restriction about any tax dollars going to pay "golf course operations" as such phrase is broadly defined in the resolution and unintentionally captures asset operations that are not "golf course" related since it captures any costs of operating and maintaining the country club facilities. US Bank gave its consent to exempt truly non-golf course asset operation activities including those of the club house from the broad coverage definition of "golf course operations" contained in the 2009 Bond resolution. Mr. Allen presented the US Bank executed Waiver for District consideration and signature, and noted that at this time US Bank desires to grant such Waiver on an annual basis. Upon motion and second, the Waiver was unanimously approved.

Foundation

Barry McConnell informed the Board that he has created the Heather Ridge Open Space Foundation and is seeking 501(C)3 non-profit corporation status with a purpose towards open space preservation including the District open space.

Adjourn

Motion made, seconded and unanimously passed to adjourn the meeting.

The foregoing minutes were approved by the Board of Directors on August 16, 2012, and constitute a true and correct copy of the minutes of the above-referenced meeting.

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Secretary for the Meeting

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
HEATHER RIDGE METROPOLITAN DISTRICT NO. 1  
ADOPTING THE COLORADO SPECIAL DISTRICT PUBLIC RECORDS  
RETENTION SCHEDULE

WHEREAS, the Heather Ridge Metropolitan District No. 1 (the "District") recognizes a need for a comprehensive public records retention schedule for the District's non-permanent public records and the retention of those public records that have long-term administrative, fiscal and historical value; and

WHEREAS, the Colorado State Archives has developed a state-wide record retention schedule in cooperation with the Colorado Special Districts Association, the Colorado Attorney General's Office and the State Auditor's Office for special districts to use and follow; and

WHEREAS, the District believes it important to follow the same schedule for the retention of the District's non-permanent public records.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. The District hereby adopts the 2008 Colorado Special District Records Retention Schedule, and all subsequent revisions thereto, and authorizes the District's legal counsel and/or Official Custodian of Public Records to submit the request to the Colorado State Archives for the Schedule to be used as legal authority for the destruction and preservation of District public records.

APPROVED AND ADOPTED THIS 16<sup>th</sup> DAY OF AUGUST, 2012.

**HEATHER RIDGE METROPOLITAN DISTRICT  
NO. 1**

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Officer of the District

ATTEST:

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