

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

Held October 17, 2013, at 4:00 p.m. at 13521 East Iliff Ave., Aurora, Colorado.

Director Attendance	<p>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:</p> <p style="text-align:center">Errol Rowland James Bruce Jane Kline Vincent Roith Melissa Miller Van Lewis Joan Beldock</p>
Call to Order & Quorum / Qualifications	<p>Director Rowland noted a quorum was present that all directors present were qualified to serve. Director Rowland recited the District's mission statement.</p>
Conflict Disclosure	<p>The agenda for the meeting was reviewed and nothing appeared on the agenda for which disclosure certificates had not been filed.</p>
Approval of Agenda	<p>The agenda was deemed acceptable by the board.</p>
Minutes	<p>The minutes from the April 18, 2013 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.</p>
UAHR, Inc. and HRCA Community Reports	<p>UAHR, Inc., was discussed relative to it being an inactive entity.</p> <p>HRCA reported that a new publisher for Metro Matters will be used. Discussion by Directors regarding publication agreement between the District and HomewoRx HOA Management Consulting, LLC. Motion and second unanimously passed approving the publication agreement through December 31, 2014.</p>
Foundation/Donations	<p>Heather Ridge Open Space Foundation reported that its 501 C-3 status is pending approval and that recruitment of board members is ongoing. The Directors acknowledged and confirmed the District's \$2,500 annual memorial donation program, and that the list of annual memorials will be published in Metro Matters.</p> <p>City Council member Molly Markert provided an update on the nearby self-storage and I-225/Light Rail projects and how community input to the City is appreciated.</p>
Director Election Cycle	<p>Discussion about the May 2014 director election cycle. Upon motion made and seconded, the election resolution was unanimously approved. Directors with terms ending May 2014 who desired to seek re-election discussed and completed the self-nomination applications.</p>
Financial	<p>Director Roith presented the September 2013 financial statements, current cash flow analysis, and invoices/claims payable. After consideration of the financial statements and the current and interim invoices, and upon motion and second, 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.</p>
Budget Hearings	<p>2014 Budget Hearing. Board discussion on the proposed 2014 budget, different funds and the total mill levy. Director Rowland opened the public hearing on the</p>

2014 budget. After public discussion, the hearing was closed. Additional discussion by the board regarding each budgeted fund and the corresponding revenues and projected expenditures, the Metro Matters budget and memorial donation to the Heather Ridge Open Space Foundation. Upon motion made and seconded to adopt the 2014 budget, appropriate the revenues necessary for the expenditures and set the 2013 mill levy for collection in 2014. Motion passed unanimously.

Golf Course Operation Report

Discussion on general operation and maintenance revenues and expenses. It was noted that the 2013 summer season resulted in improved sales and revenues over the prior year. Golf cart lease matters are being discussed with GCAT. "No Trespassing" signage will be installed soon. Golf course signage near Iliff and I-225 was discussed.

Asset Manager Report

Director Roith reported that there are no ongoing projects at this time. Front awning replacement was discussed to address the City's sign requirements for the front of the clubhouse. Back nine irrigation upgrades, pond dredging and cart path upgrades remain items of interest but are dependent on available financing achievements. Director Roith noted that he continues to pursue architects relative to ADA compliance plans within the financial constraints of the District.

Discussion about Stubby's LLC lease assignment to South Marina Enterprises. Upon motion and second, lease assignment was unanimously approved.

General

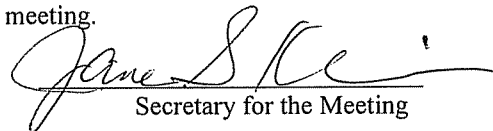
HOA property line encroachments discussed. It was determined that the District will send letters annually to each HOA reminding them about encroachments and to not approve any matters that could result in an encroachment.

After exploration of possible reactivation of the pool, it was determined that reactivation and operation of the pool is not viable at this time.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on April 17, 2014, and constitute a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting