

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

Held July 21, 2016, at 4:00 p.m. at 13521 East Iliff Avenue, Aurora, Colorado

Director Attendance/ Qualifications	<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>Errol Rowland Mary Lou Braun Van Lewis Joan Beldock James Bruce Jane Klein</p> <p>Also present for the District: Sean Allen, Esq., White, Bear Ankele Tanaka &amp; Waldron, general counsel (by phone); Larry Ransford; Barry McConnell and members of the public.</p>
Call to Order/Quorum	Director Rowland noted a quorum was present and each Director present confirmed they were qualified to serve. Director Rowland referenced 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 accepted by the Board.
Minutes	The minutes from the April 21, 2016, meeting was discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.
<b>Community Reports</b>	
Presidents Council	None.
HRCA	None.
Heather Ridge Open Space Foundation/Metro Matters – Barry McConnell	None.
Clubhouse Expenses, Options and Community Input (Repair, Sell, Demolish, Rebuild etc.)	Director Lewis presented a four (4) option summary for the clubhouse given that that maintenance on the building has cost approximately \$400,000 since 2009. The summary will be presented to the community/HOAs to receive greater community wide input before the District board makes any independent determination on what to do with the clubhouse.
<b>Financial</b>	
Financial Statements/ Payment of Claims	Mr. Ransford provided a summary of the financial statement, fund balances, revenues, expenses, 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 accepted and approved.
2015 Audit Status	The 2015 Audit was noted as being near completion.
Bond Proceed Release	The Board engaged in general discussion. Mr. Ransford was instructed to tell the

Policy on Golf Course Improvements; Improvement Contract Approval Policy

accountant which invoices are to be paid from bond proceeds and requested that the invoices be coded as such.

**Golf Course Operation Report**

General Golf Course Operations

General operations report was presented by Mr. Ransford.

GCAT Management Agreement Renewal (2016-2020)

The GCAT Management Agreement renewal was presented to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board approved the agreement renewal, subject to final review by legal counsel.

Irrigation Contract Approval

The Irrigation Contract was presented to the Board. Following discussion, upon motion duly made and seconded, the Board approved the contract.

Operation Needs if Clubhouse is not Available

The Board engaged in general discussion of what facility needs would be required to operate the golf course if the clubhouse was closed/removed. JHMS Properties, LLC presented an estimation of current value for the clubhouse and 5-acre grounds.

**District Asset Management Report**

Asset Manager Transition Discussion

The Board engaged in general discussion about how Mr. Ransford and Mr. McConnell will provide the necessary asset management services.

Capital Improvement Repair/Replacement/ Construction Agreements and Projects

The Board engaged in general discussion. No action was taken.

Roof Contractor Approval; Roof Insurance Proceeds Status

The Board engaged in general discussion. No action was taken.

Parking Lot Options

The Board engaged in general discussion. No action was taken.

Restaurant Operations Status; New 5 Year Lease Agreement Noonan's

The Board engaged in general discussion. No action was taken.

New Asset Management Agreement

The new Asset Management Agreement with Barry McConnell was presented to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board approved the agreement.

New Financial Services Management Agreement

The new Financial Services Management Agreement with Mr. Ransford was presented to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board approved the agreement.

**Miscellaneous**

Insurance Grant Fund Balance for Safety and Loss Prevention

It was noted that Mr. McConnell would look into the insurance grant fund balance.

Board Vacancy/Designation and Election of Officer Seats

The Board engaged in discussion regarding the vacancy and officer designations. Following discussion, upon motion duly made and seconded, the Board appointed Director Braun as the Board Treasurer and Director Beldock as the Board

Secretary.

District Credit Card Policy  
Discussion

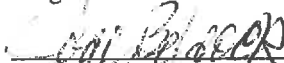
The Board engaged in discussion. Following discussion it was determined that the District will not use and issue any District credit cards at this time.

The District checking account was discussed and upon motion duly made and seconded, the Board determined to add more authorized directors to the District's signature card and to remove Mr. Roith.

Next Regular  
Meeting/Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on September 29, 2016, and constitute a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary for the Meeting