

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

Held June 16, 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
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 that all directors present were qualified to serve, and he read 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 Motion made and seconded to approve the agenda. The motion passed unanimously.

Restaurant Tenant Rob Lanphier addressed recent matters with the Board. Mr. Lanphier reported that he has provided GCAT with Iliff monument sign designs and would like to have further discussions with GCAT and the District on sign design, message board upgrades and cost sharing matters. Director Rowland noted that since the District had already spent capital funding toward restaurant refurbishments, the District would need to analyze sign design and cost issues further. A sign committee was suggested as a way to help identify sign issues and to bring information to the Board.

Mr. Lanphier then offered his explanation concerning recent issues about banquet use by the Aurora Democrats. He further noted that his business approach differs from the previous restaurant operator.

Mr. Lanphier asked if the District had interest in converting the outdoor pool area into an alternative use. Director Rowland reported that an outdoor pool committee should be formed to help address this matter.

UAHR, Inc. and HRCA Community Reports UAHR, Inc., reported that Metro Matters appears to be a success and community response suggests the gaining popularity of Metro Matters.

HRCA reported that it had an informative community meeting with the Arapahoe County Assessor concerning how the County Assessor values properties for property tax purposes. Recent crime activity was noted as raising security concerns within the community. Discussion about ideas to promote greater community awareness of security concerns and information.

Minutes The minutes from the May 19, 2011 meetings were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

Financial

Ms. Wheeler presented the May 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. After discussion about the financial statements, motion and second to accept the financial statements passed unanimously.

Ms. Wheeler noted that due to the irrigation project, a 2011 budget amendment for the capital projects fund will be required, and that it could be done in conjunction with the adoption of the 2012 budget approval in the fall.

Golf Course Operation Report

Mr. Ritter, for The Golf Club at Heather Ridge, Inc. ("GCAT"), reported that Ray Griffiths' resignation had been accepted by GCAT. Director Rowland recognized Mr. Griffiths efforts in helping the golf course rise to the status it has today.

Mr. Ritter also reported that the sun deck was finished and that the irrigation project was essentially finished and only minor items remained.

Restaurant rent payments have risen as the restaurant does more business which has also seen an increase in banquet sales.

Mr. Ritter estimated that June could be a break even month between operating expenses and revenues with July and August likely to be net profit months.

Amended and Restated Golf Course Management Agreement
Capital Improvement Construction Report

After a discussion about the agreement, a motion was made and seconded to approve the amended and restated agreement. Motion passed unanimously.

Mr. Allen reported that with the completion of the irrigation project drawing near, the District will need to publish notice of final payment before any final payment can be made. Mr. Allen will work with Director Roith to coordinate publication with the final payment.

Long Term Debt Refinancing

GCAT's Larry Ricketts has offered to investigate refinancing the District's short term bank debt into a long term debt, and give reports to the District as information comes available.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on July 21, 2011, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting