

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

Held December 15, 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. 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.

Call to Order & Quorum /
Qualifications Director Rowland noted a quorum was present that all directors present 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.

UAHR, Inc. and HRCA
Community Reports UAHR, Inc. reported that initial community's reaction conveyed at the UAHR, Inc., meetings is not in favor of the District pursuing its option to sell the clubhouse sale, but also conceded that community turnout at the meetings has been small.

HRCA indicated that its meetings are on hold until the spring, and it has looked into reducing its operational budget by cutting approximately \$13,800 in expenses.

Minutes The minutes from the November 17, 2011 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

Financial Director Roith presented the November 2011 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 Bruce and second from Director Miller, the statements and invoices were unanimously approved with Director Rowland and Roith abstaining as to invoice approval relative to their previously disclosed conflict of interest.

Golf Course Operation
Report Larry Ransford summarized the reductions in payroll which have reduced operating costs during the winter months until seasonal employees are re-hired during the main golf season.

Larry Ransford also noted that the GCAT board is restructuring and the restructure will depend in part on the success of the pre-paid sales drive currently ongoing. Mr. Ransford stated that the pre-paid golf sales drive goal is \$150,000 by December 31, 2011. He also noted that if the goal is achieved, if projected revenues for January, February and March come in, along with the cost cutting and cost reallocation efforts, the golf course should have enough funding to get to the playing season. After a discussion, a continued meeting was set for December 29, 2011 in the event the sales goal is not reached so that Mr. Ransford can update the

Board and so the Board can make a decision about the viability of the golf course.

Asset Manager Report

Director Roith noted that the Iliff sign is complete and the District and Noonan's are working cooperatively about the use and content of the message board. Mr. Allen recommended that the understanding reached with Noonan's should be committed to a written acknowledgement and understanding of terms, conditions, scheduling and content, which writing may become a lease addendum if necessary.

Roll down screens and heating elements are now in use for the deck's winter use.

Some minor roof leaks were sealed.

Director Roith indicated that the audit/review of the clubhouse and golf course relative to the Americans with Disabilities Act continues and a plan to make reasonable accommodations for access is ongoing but that financial difficulties have a real impact. Director Bruce asked if due to the age of the facility pre-dating the existence of the ADA, was it "grandfathered" such that the ADA does not apply. Mr. Allen answered that since the clubhouse and golf course are now places of public accommodation owned by a public entity providing services, compliance with the ADA is mandatory.

Clubhouse and Grounds
Sale Option

Mr. Allen was asked what impacts a sale would have on the outstanding bonds. Mr. Allen replied that since bond proceeds were used to buy the clubhouse and clubhouse site, any sale proceeds would be restricted in use to retire the outstanding bonded debt associated with such assets unless the sale proceeds exceeded the bond allocation to the clubhouse and grounds.

Director Rowland suggested that if the District Board determines to pursue the sale that first the District host open-house community meetings, then poll the community on the sale or non-sale before the District Board decides what course of action to take. Further discussion about community meetings and polling is expected at the January 2012 meeting.

Meeting Continuation
Adjourn

Motion made and seconded to continue the meeting to December 29, 2011 at 4:00 should the pre-pay golf sale drive not reach the \$150,000 goal. If the goal is reached the continued meeting will be cancelled. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on January 19, 2012, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting