

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

Held October 19, 2017, at 4:00 p.m. at 2811 S. Xanadu Way, Aurora, CO

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 Van Lewis Joan Beldock James Bruce Mary Lou Braun Jane Klein</p> <p>Also present for the District: K. Sean Allen, Esq., White, Bear Ankele Tanaka &amp; Waldron, District general counsel (by phone); Diane Wheeler, Simmons &amp; Wheeler, P.C., District accountant; 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 review and accepted by the Board.
Minutes	The minutes from the December 15, 2016, meeting were 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	None.
<b>Financial</b>	
Financial Statements/ Payment of Claims	Ms. Wheeler provided a summary of the financial statement dated September 2016 to September 2017, 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.
2016 Audit	The 2016 Audit was presented to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board accepted the audit as presented.
2017 Budget Amendment Hearings/Adoption of Resolution Amending 2017	Mr. Allen reported that the public hearing was published for the 2017 budget amendment hearing in accordance with Colorado law. The hearing was opened. There being no public comment, the hearing was closed.

## Budgets

Ms. Wheeler noted the general fund and the enterprise fund require additional fund appropriation. Following discussion, upon motion duly made and seconded, the Board unanimously adopted the 2017 budget amendment resolution.

### 2018 Budget Hearing/Adoption of Budget Resolution

Mr. Allen reported that the public hearing was published for the 2018 Budget Hearing in accordance with Colorado law. The hearing was opened. There being no public comment, the hearing was closed.

Ms. Wheeler presented the proposed 2018 budget. The Board considered the adoption of the 2018 Budget and Budget Resolution. Following discussion, upon motion duly made and seconded, the Board unanimously adopted the 2018 budget resolution which approved the budget, appropriated funds therefor, and sets the 2017 mill levy for collection in 2018.

## Golf Course Operation Report

### General Golf Course Operations

Mr. Ransford presented a summary of the general golf course operations and golf play revenue generation.

### Approval of Cart Path Replacement Cost Reimbursement; Chemical Injection Pump for Well; No. 5 Well Pump Replacement Cost (Capital Expenditure Analysis)

Director Rowland presented a summary of needed capital expenses. Following discussion, upon motion duly made and seconded, the Board unanimously authorized the expenses.

### Christensen Irrigation Vehicle Accident; 2-year Statute of Limitations from Injury Date of 10/18/16 to File Claim; Liability Insurance Defense; Christensen Indemnification Obligations

Mr. Allen reminded the Board that approximately 1-year remains of the 2-year statute of limitations for the alleged accident victim to bring a claim against the District for injuries caused by Christensen Irrigation. It currently appears as though Christensen Irrigation will resolve the matter directly with the victim.

## District Asset Management Report

### Clubhouse/Land Asset Purchase and Sale Agreement

Director Rowland gave the Board an update on the negotiations for sale, new clubhouse and parking designs and development. It was noted that the sale may not occur.

### Restaurant Lease Impacts (30-Day Lease Assignment Notice; 6-Month Lease Termination Notice Due by October 31, 2017 or First Amendment to Lease to Extend Termination Notice, Right of First Refusal)

Mr. Allen noted the 6-Month Lease Termination Notice is due by October 31, 2017. Mr. McConnell indicated he is meeting with the tenant and will discuss either the District's exercise of the termination notice or if the sale is cancelled, then the tenant's exercise of its lease renewal rights.

## Miscellaneous

### 2017 Annual Administrative Resolution

Mr. Allen presented the 2017 annual administrative resolution with the Board. Following discussion, upon motion duly made and seconded, the Board

unanimously adopted the resolution.

Ribbon Recyclers, Inc.,  
Service Arrangement with  
GCAT Price Adjustment

Mr. Allen presented the proposed service agreement for website services between GCAT and Ribbon Recyclers. Upon motion duly made and seconded, the Board approved the service agreement. Director Rowland abstained due to his conflict of interest with Ribbon Recyclers.

Consider Approval of  
Amended and Restated  
Public Records Request  
Policy

Mr. Allen presented the amended and restated public records request policy to the Board. Following discussion, upon motion duly made and seconded, the Board approved the policy.

Board  
Vacancy/Appointment

Upon motion duly made and seconded, it was determined that once Ms. Dodd notifies the Board that she accepts the joining the Board, her appointment as a new Director will be in effect.

Special District Public  
Disclosure Pursuant to § 32-  
1-809, C.R.S.

No action needed.

Property and Liability  
Schedule and Limits

The Board determined to leave the coverages as is.

Other Business

Director Rowland reported that the delinquent 2007 property tax liability stemming from the prior owner of the golf course has been resolved as the County Assessor was able to get the prior owner to cure the delinquency.

Next Regular  
Meeting/Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on May 17, 2018, and constitute a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary for the Meeting