

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

Held: September 10, 2009, at 4:00 p.m. at 2811 S. Xanadu Way, 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 Van Lewis Mary Lou Braun
Jane S. Klein Joan Beldock Vincent Roith

Excused – James Bruce

Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel. A public audience was also in attendance.

Call to Order Director Rowland called the meeting to order.

Quorum / Qualifications Director Rowland noted a quorum was present and all directors present were qualified to serve.

Approval of Agenda Motion made and seconded to approve the agenda. The motion passed unanimously.

Approval of Minutes of June 11, 2009 Meeting Motion made and seconded to approve the minutes of the June 11, 2009 meeting. The motion passed unanimously.

Straw Vote results Reported that 51% of those qualified to vote did so and approximately 80% of the vote was "yes" to proceed with negotiations and purchase of Heather Ridge Country Club (HRCC) resulting in a bond/debt issue and property tax increase. No contest to the vote.

Bond underwriter and Bond Counsel Services Discussion with Mr. Allen concerning the District's need to engage a bond underwriter to sell the bonds/debt and bond counsel. It was reported that different underwriters and bond counsels were considered and interviewed. A motion was made and seconded to select Sherman and Howard as bond counsel and Piper Jaffray & Company as bond underwriter. The motion passed unanimously.

Earnest Money for Land Purchase Contract Discussion concerning the District's possible funding sources for use as an earnest money deposit relative to the golf course land purchase. Citywide Banks has been approached and has offered to extend a loan to the District for use as earnest money via a line of credit structure. It is expected that the Citywide loan will be repaid from the proceeds of the ultimate bond/debt issue, or if bonds/debt are not sold, then from the district's mill levy revenue. Mr. Allen noted that the loan from Citywide would constitute a financial obligation of the District. The required notice relative to issuance of a financial obligation was posted for this meeting.

Motion made and seconded for the District to borrow funding from Citywide and enter into loan obligations and commitments as necessary to secure the earnest money funding that will be required by a purchase and sale

agreement for the golf course, and delegation of determinations consistent with Section 11-57-205, C.R.S., as may be necessary, to President Rowland. Motion passed unanimously. Accordingly, Mr. Allen will work with Mr. Hunter Hook at Citywide to secure a Citywide commitment to loan the District the necessary earnest money.

Open Space/Golf Course Motion made and seconded acknowledging the District's continuing and previously authorized efforts to negotiate a purchase of the Golf Course, for the District to execute such land purchase and sale agreement, and for the District to enter into other agreements as may be necessary in connection with the golf course purchase and due diligence inspection thereof. Motion passed unanimously. Director Rowland also noted that the communities are coming together and various committees are being formed to make recommendations to the Directors relative to different aspects related to the golf course and open space.

Land Purchase Special Counsel Mr. Allen suggested that the District consider engaging special co-counsel for the land purchase component, and recommended Mr. Matt Gordon. Discussion concerning use of special land purchase counsel was held. Motion made and seconded to engage Matt Gordon as special co-counsel for land purchase matters, subject to meeting with Mr. Gordon to discuss the land purchase. The motion passed unanimously.

Executive Session None.

Financial matters No further discussion.

Adjourn Motion made and seconded to adjourn. Meeting was adjourned.

Secretary for the Meeting