

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

Held August 18, 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 (excused)
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.

Call to Order & Quorum / Director Rowland noted a quorum was present that all directors present were
Qualifications 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 Motion made and seconded to approve the agenda. The motion passed
unanimously.

UAHR, Inc. and HRCA UAHR, Inc., reported that its current focus is on goal establishment/identification.
Community Reports HRCA reported that it has been focusing on project identification. Discussion on
options for reducing Metro Matters net expenses.

Director Rowland recognized Somin Lee for her 2011 Colorado Women's Golf
Association match play championship.

Minutes The minutes from the July 21, 2011 meeting were discussed. Motion made and
seconded to approve the minutes. Motion passed unanimously.

Financial Ms. Wheeler presented the July 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.

Ms. Wheeler summarized the various account balances for the Board. After
discussion about the financial statements, motion and second to accept the financial
statements passed unanimously.

Ms. Wheeler reported that the 2010 audit was almost done and the Board
authorized its filing upon final review.

Restaurant Report It was noted that the July lease payment was greater than the minimum requirement
indicating business has been growing.

Monument Sign on Iliff Discussion about the sign replacement cost and contract proposal. Director
Rowland thanked the sign committee for its efforts to bring the matter to this point.
Discussion concerning projected 5% increase in revenues from an anticipated

increase in restaurant and golf business generated by the new sign. Director Rowland noted that the projected revenue increased generated by the new sign makes him in favor. Motion and second to approve the sign contract passed four (4) to two (2).

Golf Course Operation
Report

Mr. Ritter, for The Golf Club at Heather Ridge, Inc. ("GCAT"), reported efforts to control operational expenses while maintaining quality of service. Mr. Ritter noted that marketing has focused on getting players to return now that the irrigation project is complete. Mr. Ritter stated that GCAT is supportive of a new entry sign and commented that often people have remarked that they didn't know the golf course was here. Mr. Ritter remarked that the new sign is viewed as promoting visibility for both the restaurant operation and golf course.

GCAT noted that future capital needs relative to repairs/replacement of equipment necessary for the maintenance of the golf course will be necessary.

Director Rowland noted that as the current bonded capital reserve fund is used, a re-establishment of capital reserves will be necessary.

Director Rowland reported that the independent contractor agreement for Mr. Roith's company relative to the operation, maintenance and general management of the District's assets was previously circulated to the Board. Mr. Allen noted that Mr. Roith disclosed his conflict of interest on this matter and instructed Mr. Roith to recuse himself. After a discussion, and upon motion and second, the agreement with Vinny's Custom Golf, Inc., was unanimously approved. Director Roith did not participate in the discussion or Board vote.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on October 20, 2011, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Melissa R. Miller
Secretary for the Meeting