

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

Held: January 19, 2012, 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 and Wheeler, District accountant.*
- Call to Order & Quorum / Director Rowland noted a quorum was present and all directors present confirm
Qualifications they 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 UAHR, Inc. reported that meetings have focused on the potential sale of the
Community Reports clubhouse and the District's May 2012 director election.
- HRCA indicated that its next meeting may be in the spring.
- HRCA and UAHR, Inc., indicated each is exploring implementation of a
foundation to receive donations that would be spent improving the Heather Ridge
community. The Heather Gardens Retirement Community Foundation and its
operation under the Heather Gardens Metro District will be reviewed as an example
of what may work in Heather Ridge.
- Minutes The minutes from the November 15, 2011 meeting were discussed. Motion made
and seconded to approve the minutes. Motion passed unanimously.
- Financial Director Lewis noted that rumors have been heard making false claims that the
District increased property taxes. It was noted that the District's total annual mill
levy has not changed from 42.5 mills since 2009. Mr. Allen noted that individual
property tax liabilities may change year-to-year due to differing assessed valuations
determined by the County and from actions by other taxing authorities.
- Ms. Wheeler presented the December 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 Lewis and
second from Director Bruce, the statements and invoices were unanimously
approved with Director Rowland and Roith abstaining as to invoice approval
relative and pertaining to their previously disclosed conflict of interest.

Golf Course Operation Report

Larry Ransford reported that the year end pre-paid golf sales drive was successful in reaching the \$150,000 goal. He noted that December weather and snow cover prevented any golf play, but that with the goal achieved, if projected revenues for January, February and March come in there should be enough operating funds to reach the 2012 playing season.

Mr. Ransford indicated that GCAT has 3 board members now.

Asset Manager Report

Director Roith noted that the District and Noonan's continue to work cooperatively relative to the shared use and content of the message board. Director Roith indicated that he is getting pricing for ADA compliance work at the clubhouse. Meetings and private party bookings continue to be made for the ballroom.

Bond Resolution Waiver

Mr. Allen reminded the board that the 2009 Bond resolution contains limitations about any tax dollars going to pay "golf course operations" as that term is broadly defined in the resolution and captures asset operations that are not "golf course" related since it captures any costs of operating and maintaining the country club facilities. US Bank has indicated a willingness to exempt truly non-golf course asset operation activities (i.e. the club house) from the broad coverage definition of "golf course operations" contained in the 2009 Bond resolution. Mr. Allen requested and obtained authorization from the board to work with US Bank to get the necessary resolution amendment or resolution waiver to exempt all non-golf course operation and maintenance costs including those association with the club house relative to the bond resolution definitions.

May 2012 Director Election

Mr. Allen summarized the director election process and the conditions upon which the election may be cancelled by law.

Adjourn

Motion made, seconded and unanimously passed to adjourn the meeting.

The foregoing minutes were approved by the Board of Directors on May 17, 2012, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting

Date: May 10, 2012

To: President of the Metro District Board

From: President of the UAHR Board

Subject: UAHR Recommendations to the Metro District Board

Recommendation for over budget items: If any contracted service to specifically include legal or accounting (which are currently the biggest offenders) or both entities go over budget it will trigger an automatic bidding process for the contract(s) go into effect immediately.

Recommendation for all future elections: To comply with the spirit of the law and not just the letter of the law by implementing the following actions

- Post upcoming election information on the web site ninety (90) days prior to the self-nomination cut -off date.
- Post the official notice of the upcoming election in Metro Matters 90 days, 60 days, and 30 days prior to the self-nomination cutoff date.
- These recommendations are in addition to the required public notice of the election is published in the Aurora Sentinel.