

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

Held: August 16, 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	Mary Lou Braun	
Joan Beldock	Vincent Roith	Melissa Miller
Van Lewis		

James Bruce had an excused absence

*Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel [by phone]*

Call to Order & Quorum / Qualifications	Director Rowland noted a quorum was present and all directors present confirmed 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.
Minutes	The minutes from the May 17, 2012 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.
UAHR, Inc. and HRCA Community Reports	UAHR, Inc., had no report.  HRCA informed the District that it would wait until the District's budget meeting to give its next report as to its cost reduction strategies.
Foundation/Donations	Heather Ridge Open Space Foundation: Directors Beldock and Lewis lead discussion about having community members sit on the Foundation's board of directors, overlap avoidance with District board of director members, and having District board members serve as liaison with the Foundation for seating the Foundation's board. Discussion about Foundation set up status, start up costs and Foundations desire for financial assistance and donations from the community, District, and UAHR. Mr. Allen reminded the board about a general constitutional prohibition limiting the District from making donations to a private entity unless there is a valid public purpose exception that may overcome the prohibition. The Board determined to table the matter to give the Foundation time to establish its board and finalize its purpose and mission, and then renew discussions about what sort of public purpose exemptions the Foundation may have which would allow the District to participate in some form relative to financial assistance.
Financial	Discussion of the July 2012 financial statements and invoices/claims payable. After review and consideration of the financial statements and the current and interim invoices, and upon motion and second, 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 on the general financial conditions. It was noted that the golf course was profitable over the past few months. The District board specifically acknowledged the efforts and positive results of GCAT and Vinny's Custom Golf.

Reduction to GCAT Management Fee

Director Roith noted that the monthly management fee is being decreased to \$1,000, which will cover the estimated annual insurance premium. Mr. Allen presented a First Addendum to the Amended and Restated GCAT Independent Contractor agreement. After discussion, motion and second to approve the addendum was unanimously approved.

Asset Manager Report

Director Roith reported that two minor roof repairs were made. Parking lot repair work bids will be reviewed and the repair work scheduled. Director Roith noted that ADA compliance work evaluation and pricing for the clubhouse continues to be pursued.

Director Roith noted that Noonan's operations and hours of service continued to be monitored and discussions with the operator/owner continue to be positive.

Public Records Retention Schedule

Mr. Allen informed the Board that the Colorado State Archives has developed a public records retention schedule for special district non-permanent public records. Mr. Allen indicated that the District could follow the same schedule for the retention of its non-permanent public records or create its own schedule and submit to the State Archives for approval. After discussion it was moved, seconded and unanimously approved to have the District adopt the State Archives retention schedule for the retention and destruction of its non-permanent records

Adjourn

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

The foregoing minutes were approved by the Board of Directors on October 18, 2012, and constitute a true and correct copy of the minutes of the above-referenced meeting.

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Secretary for the Meeting