

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

Held: January 14, 2011, at 3:30 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. The following directors, having confirmed their qualification to serve on the board, were in attendance:

Errol Rowland            James Bruce            Mary Lou Braun  
Joan Beldock            Vincent Roith            Melissa Miller (phone)  
Van Lewis (phone)

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 & Quorum /            Director Rowland noted a quorum was present and all directors present were  
Qualifications                    qualified to serve. Director Rowland called the meeting to order.

Approval of Agenda                    The agenda was reviewed. Motion made and seconded to approve the agenda with  
addition of a brief update on the status of the irrigation system replacement. The  
motion passed unanimously.

New Tenant Restaurant                Ray Griffiths from The Golf Club at Heather Ridge, Inc. ("GCAT"), presented to  
Lease                                    the Board a summary of the proposed five (5) year restaurant lease with Rob  
Lanphier. Mr. Griffiths indicated GCAT is recommending the District enter into a  
lease with Mr. Lanphier as he represents the best opportunity that has come from  
GCAT seeking interested food and beverage operators. Mr. Griffiths lead a  
discussion about the various lease term provisions including terms such as the rent  
components and calculations, early termination clause, beverage cart  
responsibilities, liquor license matters, landlord and tenant remodeling obligations,  
exterior sign on Iliff, as well as compared restaurant revenue projections and rental  
income to the alternative of closing down the space.

The Board and members of the public audience participated in a lengthy question and answer session with Mr. Griffiths and Mr. Lanphier about different aspects of the proposed lease and the type of restaurant that will be operated. Mr. Allen asked Mr. Lanphier to specifically and further explain his concept and vision of the type of restaurant he expects to operate. Mr. Lanphier explained that he envisions a "neighborhood pub" atmosphere and acknowledged that the restaurant would be drawing a customer base from the Heather Ridge area. He indicated that the estimated price point to be between \$10.00 and \$14.00/plate, approximately six (6) dinner plate choices on the menu, with dinner service between 5:00 p.m. and 10:00 p.m., and that although the atmosphere is not going to be an upscale table cloth service, he does not consider the atmosphere to be that of a sports bar. The board asked if the District would be able to determine what will be on the menu and have decision power over the restaurant's atmosphere and décor. Mr. Lanphier replied that he is willing to take suggestive inputs from the District and community, but the menu and all decision making will be his alone as the tenant and operator of his business. Mr. Lanphier also explained his marketing and use vision for the banquet space. Mr. Griffiths noted that the goal for GCAT and ultimately for the District is to generate enough revenue from leasing the restaurant and banquet areas of the building to allow for the District to operate the building in an efficient and economical manner. Mr. Lanphier noted that he is considering a few names for the restaurant, welcomed suggestions, and that he expects to make a decision on the

name of the restaurant in the near future.

After additional question and answers, a motion was made by Director Roith, seconded by Director Bruce, for the District to enter into the proposed lease subject to (i) the addition of a clause relative to liquor license transfer at no District cost, and (2) any non-material revisions that may be necessary to produce an execution version of the lease so long as any revisions do not alter the substantive understandings and lease terms that have been presented. Motion passed unanimously.

Irrigation System Update

Mr. Griffiths briefly informed the Board that irrigation vendor bids have been received and the amounts are slightly lower than early projections. Mr. Griffiths stated that a more detailed update and discussion will occur at the District's January 20, 2011 regular meeting.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

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

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Secretary for the Meeting