

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

Held April 21, 2016, at 4:00 p.m. at 13521 East Iliff Avenue, Aurora, Colorado

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| Director Attendance/ Qualifications | <p>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:</p> <p>Errol Rowland Vincent Roith Mary Lou Braun Van Lewis Joan Beldock James Bruce Jane Klein</p> <p>Also present for the District: Sean Allen, Esq., White, Bear Ankele Tanaka & Waldron, general counsel (by phone); Diane Wheeler, Simmons & Wheeler, P.C., District accountant; Mr. Lund, Stifel, Nicolaus & CO, Inc., underwriter and Peter Whitmore, Sherman & Howard, LLC.</p> |
| Call to Order/Quorum | Director Rowland noted a quorum was present and each Director present confirmed they were qualified to serve. Director Rowland referenced 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 accepted by the Board. |
| Minutes | The minutes from the September 17, 2015, meeting was discussed. Motion made and seconded to approve the minutes. Motion passed unanimously. |
| Community Reports | |
| Presidents Council | Director Lewis presented the Board with a summary of the community HOA discussions. |
| HRCA | None. |
| Heather Ridge Open Space Foundation/Metro Matters – Barry McConnell | It was noted that Ms. Markert was added to the Foundation’s Board. |
| Financial | |
| Financial Statements/ Payment of Claims | The financial statements, fund balances, revenues, expenses, current cash flow analysis, and invoices/claims payable were presented by Ms. Wheeler. After consideration of the financial statements and the current and interim invoices, and upon motion and second, the statements and invoices were unanimously accepted and approved. |
| 2015 Audit Status | Ms. Wheeler noted that a draft of the 2015 Audit was pending and would be ready for review at the next meeting. |

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| 2015 Budget Amendment | Mr. Allen reported that the public hearing was published for the 2015 Budget Amendment hearing in accordance with Colorado law. The hearing was opened. There being no public comment, the hearing was closed. |
| | The Board considered the adoption of the 2015 Budget Amendment and Resolution to Amend the 2015 Budget. Following discussion about the additional appropriation needed for the general and enterprise funds to reach year's end, and upon motion duly made and seconded, the Board unanimously adopted the 2015 budget amendment and resolution. |
| Bond Refinance and Additional Capital Funding Status | Mr. Lund presented the Board with a summary regarding the status of the bond refinance. He discussed the bond structure, Preliminary Official Statement, the Bond Resolution, Bond rating and the bond insurance process. Mr. Lund noted that a balloon payment would be due later in 2016 on the existing bonds and that a need for additional capital funding is driving the refinance. |
| Bond Counsel Engagement Letter | An Engagement Letter for Bond Counsel was presented to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board approved the engagement of Sherman & Howard, LLC as bond counsel. |
| Bond Resolution for General Obligation Refunding and Improvement Bonds, Series 2016 Debt Authorization | The Bond Resolution for General Obligation Refunding and Improvement Bonds, Series 2016 Debt Authorization was presented to the Board for consideration. Following discussion, upon motion made by Director Bruce, and seconded by Director Beldock, the Board unanimously approved the resolution authorizing the Series 2016 Bonds. Director Rowland summarized the various capital needed on the golf course. |
| Golf Course Operation Report | |
| General Golf Course Operations | Mr. Ransford summarized the golf operations, costs, revenues, golf play, and project summary matters. The Board engaged in discussion regarding general golf course operation matters. |
| GCAT Management Agreement Renewal (2016-2020) | It was noted that a draft of the GCAT Management Agreement Renewal (2016-2020) is pending. Mr. Allen will present the agreement proposal once it's ready for Board consideration. |
| District Asset Management Report | |
| Capital Improvement Repair/Replacement Construction Agreements and Projects | Director Roith summarized the various pending repair/replacement projects, and the scope of work for the roof replacement. |
| ADA Report | None. |
| Restaurant Operations Status; New 5-year Lease Agreement Noonan's | It was noted that a draft of the new 5-year Lease Agreement is pending. Mr. Allen will present once a draft is completed. The prior lease has expired and the parties are essentially utilizing a month-to-month arrangement until the new lease is approved. |
| Storm Damage Insurance Claim Funding Status; Roofing Contractor Recommendation/Selection/Contract for Roof Replacement | The Board engaged in general discussion and use of the funds from the insurance claim for roof construction. Mr. Allen noted that the contract for the roof repair has yet to be presented to the District, and that the District will need sufficient available funds to appropriate for the project and contract. |

Vinny's Custom Golf
Management Agreement
Renewal

Mr. Allen noted that the asset management agreement with Vinny's Custom Golf is currently in one-year extension mode.

Miscellaneous

Annual Statutory
Compliance Resolution


Mr. Allen presented the Annual Statutory Compliance Resolution to the Board for consideration. After discussion, and upon motion and second, the resolution was unanimously approved.

Insurance Grant Fund
Balance for Safety and Loss
Prevention
Next Regular
Meeting/Adjourn

Mr. Allen informed the Board that \$1,000.00 is available to the District at this time. Director Roith will look into qualifying items to apply the grant fund money.

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on July 21, 2016, and constitute a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting