

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

Held April 16, 2015, at 4:00 p.m. at 13521 East Iliff Ave., Aurora, Colorado.

Director Attendance/  
Qualifications                    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 (excused absence)  
Vincent Roith                    Jane Klein (excused absence)  
Mary Lou Braun  
Van Lewis  
Joan Beldock

Also present (by phone) for the District: Sean Allen, Esq., White, Bear Ankele Tanaka & Waldron, general counsel.

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 October 16, 2014, meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

Community Reports                Director Lewis reported on the Presidents Council dinner and general community current affairs report. Barry McConnell noted that the Heather Ridge Open Space Foundation has received approximately \$7,400 in donation funding.

Financial                                The financial statements, fund balances, revenues, expenses, current cash flow analysis, and invoices/claims payable were presented by Director Roith. After consideration of the financial statements and the current and interim invoices, and upon motion and second, the statements and invoices were unanimously approved with Directors Rowland and Roith abstaining as to invoice approval relative and pertaining to their previously disclosed conflict of interest.

Director Roith noted that the contract for the 2014 audit was in place. The Board authorized the filing of the audit contingent on final review by the Board and general counsel.

Bond Refinance Discussion        Director Lewis reported that he is working with Mr. Lund on the bond refinance that is to be completed before the current bonds mature in October 2016 which will need to be refinanced at or before maturity to avoid a principal balloon payment. The Board once again recognized the need for additional capital borrowing to address certain capital needs of the golf course and the desire to raise funding via the refinance without increasing the total mill levy or extending the bond maturity.

Payment of Claims	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 approved.
2014 Audit Ratify/2014 Budget Amendment Hearing	Ms. Wheeler presented the Board with the completed and filed 2014 Audit. Following discussion, upon motion duly made and seconded, the Board accepted the 2014 Audit. Ms. Wheeler noted that the audit noted that the 2014 budget needs additional revenue appropriation.  Mr. Allen reported that the public hearing was published for the 2014 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 2014 Budget Amendment and Resolution to Amend the 2014 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 2014 budget amendment and resolution.
2016 Budget Hearing	Mr. Allen reported that the public hearing was published for the 2016 Budget 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 2016 Budget and Budget Resolution. Discussion about current assessed value and its impact on the size of the annual mill levy accordingly. Following discussion, upon motion duly made and seconded, the Board unanimously adopted the 2016 budget resolution which approved the budget, appropriates funds therefor, and certifies the 2015 mill levy for collection in 2016.
Bond Refinance and Additional Capital Funding Status Report	Mr. Lund lead discussion with the Board about the pending bond refinance before the balloon payment in October 2016 comes due, and that refinancing the existing bonds has always been contemplated. The Board engaged in general discussion about timing of the bond refinance, interest rate tracking, credit quality, and roles of bond counsel and underwriter. The Board confirmed that Mr. Lund's firm would serve as underwriter and Mr. Whitmore's firm, Sherman and Howard, would continue to service as bond counsel.
<b>Golf Course Operation Report</b>	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.
<b>District Asset Management Report</b>	Director Roith reported on the general condition status of repairs to the building and golf course.
Capital Improvement Repair/Replacement Construction Agreements and Projects	Mr. Roith summarized the various pending repair/replacement projects.
Restaurant Operations Status	Discussion about new restaurant lease matters.
September 2014 Storm Damage Insurance Claim Status	Director Roith reported on the status of the insurance claim for the damage to the building caused by the September 2014 storms.

**Miscellaneous**

May 2016 Director Election  
Resolution

Mr. Allen presented the Resolution Calling the May 3, 2016 Election to the Board. After discussion, and upon motion and second, the resolution was unanimously approved.

Next Regular  
Meeting/Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

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

  
Secretary for the Meeting