

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

Held: July 8, 2010, 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. The following directors, having confirmed their qualification to serve on the board, were in attendance:

Errol Rowland	James Bruce	Mary Lou Braun
Jane S. Klein	Joan Beldock	Vincent Roith
Van Lewis		

Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel; Diane Wheeler, Simmons & Wheeler, district accountant. A public audience was also in attendance.

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

Approval of Agenda Motion made and seconded to approve the agenda. The motion passed unanimously.

Approval of Minutes The minutes from the May 13, 2010 meeting were discussed. Motion made and seconded to approve the minutes. Motion passed unanimously.

Golf Course Operation Director Roith reported that golf revenue has increased over previous months. Director Rowland mentioned that the District had to use some of the initial operations reserve funding from the Bonds in the first five months of golf course operations, but has since been able to fully replenish the reserve from golf course revenues.

The board discussed the status of the drafting of the long term Dumitri lease and generally discussed various lease provisions related to food quality, service, monthly lease amount, utility expenses and how such provisions should be written for the lease. Director Roith will continue working towards the long term lease.

Director Rowland reported that UAHR, Inc., has managed the golf course for the first seven months of District ownership and has gained an understanding of its operational requirements in that time such that a new golf course general manager can be brought in and informed of its operational needs. The board determined that Director Lewis will present a letter from the District to UAHR, Inc., directing it to assemble a general manager search committee with the intent of UAHR, Inc., engaging a general manager, to be ratified by the District, as of December 1, 2010.

Discussion relative to the use of golf play vouchers as a permitted form of payment for services received in limited circumstances. Mr. Allen noted that the District cannot donate golf play without receiving something of like value in return such as a service rendered or receiving marking value etc. Ms. Wheeler stated that tracking of vouchers is ongoing and that the recipients are to report the value of vouchers as income on their tax returns. The board determined that vouchers shall be limited in use.

Water Wells Director Rowland reported that the new irrigation well on No. 16 was complete with a new motor/pump and has been activated. The well on No. 5 was still

working, but a new well is planned for the future.

Repair/Construction
Contracts

Director Roith reported on the completed, on going and future phases of the HVAC work. During the HVAC work, a roof top HVAC shed/housing had to be moved to facilitate HVAC installation and roofing damage was discovered which leaked during recent storms. Roof repairs will be performed and an insurance claim was filed for the costs to repair the water/leak damage.

Director Roith reported that bid for repairs to the walking paths and parking lot repairs are under review and repair work will begin in the near future.

General Matters

Metro Matters Publication. Director Lewis reported that the first issue was done in June, and that all of the advertising space for the July issue has been sold.

Clubhouse Pool. Pool reactivation and operation analysis (cost estimate) is ongoing and findings are to be presented to the board at a future meeting.

Financial Matters

Ms. Wheeler presented the financial statement, current cash flow analysis, and invoices/claims payable to the board for consideration. After consideration of the current and interim invoices, upon motion and second, the invoices were approved and ratified respectively for payment.

Discussion on potential Line of Credit took place and it was determined not to pursue the matter at this time, but it may be reconsidered at a later date.

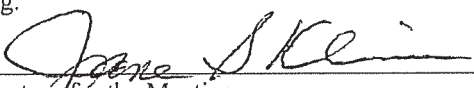
New Regular Meeting
Schedule

The board determined to move regular meetings to the third Thursday allowing for more current financial data to be presented at the meetings.

Adjourn

Motion made and seconded to adjourn. Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on August 19, 2010, and constitute a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Meeting