

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

Held: Thursday, the 14th day of June, 2007, at 4:00 p.m. at 2685 S. Xanadu, Aurora, Colorado

Attendance A meeting of the Heather Ridge Metropolitan District No. 1 was called and 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 boards, were in attendance:

Errol Rowland	Jane S. Klein
Van Lewis	Mary Lou Braun
Joan Beldock	Lee Eldredge
Vincent Roith	

All director absences are deemed excused unless a contrary notation is recorded in these minutes. Also present was Joseph J. Lico, Esq, White Bear & Ankele, Professional Corporation, District General Counsel. See list.

Call to Order The meeting was called to order by Director Rowland.

Quorum / Qualifications Director Rowland noted a quorum was present and all directors present were qualified to serve.

Approval of Agenda Director Braun made a motion to approve the agenda and Director Roith seconded the motion. The motion passed unanimously.

Approval of Minutes of May 10th, 2007 Meeting A motion was made by Director Braun and seconded by Director Lewis to approve the minutes of the May 10th, 2007 meeting. The motion passed unanimously.

General items

Golf Course Ownership Director Rowland introduced Ed Oswald who discussed his meeting with the owner of HRCC prior to this meeting. The owner stated the golf course is experiencing no changes as far as the purchase and sale. No other details were offered during this conversation.

Budget/HOA Contributions The budget was published on the website. All HOA representatives were present and a discussion was held regarding the budget. Many options to assist with operation costs were discussed and the actual numbers for the budget for 2007 were re-examined. Director Lewis proposed a letter go to all HOAs asking for support for the District in

the form of a donation. Discussion was held re: asking homeowners for a donation again to assist with operation costs. Three possibilities were discussed for assisting the District with its operating costs:

- Mandatory HOA contributions – Motion by Director Beldock to send District representative to all HOAs and ask for assistance for the District. Seconded by Director Lewis. The motion passed unanimously. Director Beldock will draft a letter to be sent to all HOAs requesting contribution inclusion in the annual budgets of the HOAs.
- Mill Levy assessments - Director Lewis suggested we ask to see who will support contributions and who will support a mill levy assessment. If a mailing is sent to homeowners re: a vote (according to the pledge signed by persons on the BOD prior to their election and formation of the District) to propose a mill levy assessment, we need to have members of the voting population either approve or dis-approve at the September meeting. Mr. Lico reminded those present that mill levy assessments are part of property taxes and would be collected in arrears and would not be available for funding the budget until 2009. Discussion was conducted regarding the possibility of a mill levy assessment and what it would mean as a tax increase for various communities. The board had some discussion surrounding questions asked by Ed Kay (a property owner) about the numbers contained in the budget. Mr. Lico addressed this issue and stated that the budget was prepared from his experience with the budgets for other special districts. The budget was prepared as a general item and would be examined closer at the end of the year. Mr. Lico explained the budget can be reviewed and amended at any time with proper notice. A motion was made by Director Lewis that the budget be amended for the July meeting and a formal Budget Amendment be prepared. It was seconded by Director Eldredge and was unanimously approved.
- Individual Donations – May need to ask for individual contributions again.

The election pledge was discussed. In compliance with the pledge, should a mill levy assessment be considered, a mailed (post card) to each address within the District appears to be the most cost effective. Two hearings will be held at the regular scheduled District meetings. A vote then would be held at a regular scheduled District meeting.

Website/Budget and
Minutes posted

The website is up and running. The UAHR website has been updated & includes links for information on the District. Director Rowland will maintain and assure the website remains up to date. It was

agreed that District minutes of all meetings would be available upon request rather than being posted on the website

Payment for Clubhouse Tabled until the next meeting.

Legal

Certification of Mill Levy If a mill levy is proposed, the mailings must go out to the voters and the vote needs to be conducted by the September meeting.

Election Procedures /Policy Mr. Lico discussed deadlines and mailings for the election procedure should a mill levy assessment be voted on.

Rules & Regulations Need to be done without delay. Director Lewis and Mr. Jim Bruce will work on the by-laws and these will be presented to the directors 72 hours before the next meeting for approval.

PDPA Update Mr. Lico advised the board that all necessary paperwork had been filed and the District should now have a PDPA number to open a checking account.

Other Business and Adjourn

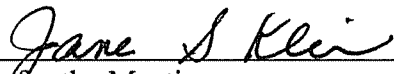
Director Rowland reminded all in attendance of the mission of the District.

1. Preserve the open space – the 18 hole Heather Ridge golf course
2. Protect the property values
3. Safeguard our quality of life
4. Support the Heather Ridge facilities – The financial success of the golf course is consistent with the objectives and formation of the District.

There being no further business to come before the board and following discussion and upon motion duly made, seconded and unanimously carried, the board determined to adjourn the meeting.

The foregoing minutes were approved by the boards of directors on the 12 day of July, 2007.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting