

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

Held: May 14, 2009, at 4:00 p.m. at 2811 S. Xanadu Way, Aurora, Colorado.

Director Attendance A meeting of the Heather Ridge Metropolitan District No. 1 (the "District") 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	Van Lewis
James Bruce	Mary Lou Braun
Jane S. Klein	Joan Beldock
Vincent Roith	

Also present for the District: Sean Allen, Esq., White, Bear & Ankele Professional Corporation, general counsel. Mr. Kevin Jordan was also present as an invitee by Director Rowland.

Call to Order Director Rowland called the meeting to order.

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

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

Approval of Minutes of
November 13, 2008
Meeting A motion was made by Director Klein, and seconded by Director Bruce, to approve the minutes of the November 13, 2008 meeting. The motion passed unanimously.

Engagement of Special
Counsel The directors discussed engaging Mr. Ragonetti as special counsel to the District related to promoting the District's public purpose preservation of the Heather Ridge golf course or alternatively use as open space. Land use and zoning issues will become issues relative to proposed redevelopment of the golf course, and special counsel has been suggested as a means to assist the District in its mission: Preserve the 18-hole Heather Ridge Golf Course and protect the open space, property values and quality of life. After further discussion and confirmation that the District has sufficient available funds, a motion was made by Director Roith to retain Mr. Ragonetti at an initial \$5,000 retainer, along with a second \$5,000 retainer if necessary. Director Bruce seconded the motion. This motion passed unanimously.

Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S., Director Bruce motioned, and being supported by at an affirmative vote of all directors in attendance, that the Board convene in an executive session for the sole purpose of receiving specific legal advice regarding negotiations involving a proposed term sheet relative to desired restriction for the golf course redevelopment. Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-401(4)(b), C.R.S. Mr. Allen indicated that the executive session constituted privileged communications and that the Board

did not engage in discussion of any matter not enumerated in Section 24-6-402(4)(b) or (e). The Boards did not adopt any proposed policy, position, resolution, rule, regulation, or formal action.

Golf Course
Redevelopment Term
Sheet

After the executive session concluded, the Board directed Mr. Allen to present a term sheet proposal, after Board review thereof, to Mr. Sheldon which is intended to produce an agreement between the District and the golf course owner that restricts the area for use only as a golf course or, in the alternative, as open space; and that such restriction be recorded against and run with the land.

Adjourn

Director Beldock made a motion to adjourn which was seconded by Director Klein. The meeting was adjourned.

Secretary for the Meeting