



GVR Metropolitan District

18650 East 45th Avenue • Denver, Colorado 80249

February 18, 2009

Board of Directors
Master Homeowners Association for Green Valley Ranch
P.O. Box 473038
Aurora, CO 80047

Dear Master HOA Board:

The GVR Metropolitan District has just recently wrapped up the Accounting process for 2008 and would like to present to you this annual accounting report and summary of services provided that will hopefully summarize the services and costs thereof, of the services provided by the Metro District through the Services Agreement between our two organizations. The intentions of ballot measure 5A are a continued goal for the Metro District to provide these services in a one stop shopping for the community while allowing for assessments to be paid by the home owners through their individual property taxes.

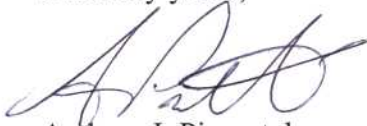
During the year of 2008, there were many opportunities for growth for the Metro District in providing the services outlined in this report. While we realize that we are not a professional property management company, we feel strongly that we have developed a strong system in 2008 and with this report will show that positive things have occurred during this past year and this work helps set us up for continued success in 2009. During 2008 there were new processes and procedures put in place by both organizations to help with the operations and to help make this unique and new relationship work. Please note that this report fulfills the requirement listed in the Agreement as 4(b) that states that the District will provide the HOA board with an annual accounting report.

The future of Metro Districts and HOA's working together in this fashion is young and our experiences will help pave the road for future relationships to be developed in communities just like ours. The staff hopes to maintain moving forward with good results in 2009 to reach out and meet the goals of both organizations in making the Green Valley Ranch community a great one.

If after reviewing this report you have any questions or concerns, please feel free to call me at (303) 912-8283 and always remember that I have an open door and at anytime you want to meet, please come on by the office at 18650 E. 45th Avenue.

We look forward to another year of working with the Master Home Owners Association for Green Valley Ranch and providing the best services available for our home owners and tax payers.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'A. Pimental', written in a cursive style.

Andrew J. Pimental
District Manager

CC: GVR Metropolitan District Board of Directors
Evan Ela, Collins Cockrel & Cole
Andrew J. Fisher, Nathan, Bremer, Dumm & Myers, P.C.

**2008 Summary of District Revenue and Expenditures
Related to Providing HOA Services**

District HOA Operating Account

Revenues applied for providing HOA services were in the form of taxes, accounts receivable, donations, investment income and reimbursement of expenses. The amounts received for 2008 were as follows: Tax revenue of \$139,939.75; Administrative Assessments of \$10,810.44; Landscape Assessments of \$30,584.07; Payment Processing Fees of \$10.00; Late Fees of \$1,466.41; Rule Violation Fines and Fees of \$22,435.47; Closing Fees that include status letter requests and transfer fees of \$111,592.24; ARC Fees of \$300.00; Attorney Fees of \$17,556.81; Advertising Fees of \$4,230.70; Unapplied payment which include prepaid expenses and fees collected for Westwind Management that cannot be applied to the account until a pending lawsuit is completed of \$31,747.46; Donations of \$500.00; Investment Income of \$327.69; and a reimbursement of expenses of \$.36. The total revenue received for application toward providing HOA services and budgeted under the HOA Operating Account in 2008 was \$371,501.40.

Expenses for providing HOA services from the HOA Operating Account were as follows for main categories; detail is included in the attached reports: Personal Services of \$121,470.70; Contract Services of \$161,100.22; District Operations of \$1,402.67; Administrative Operations of \$111,157.32; and Common Areas Operations of \$2,864.80. The total expenditures from HOA Operating Account were \$397,995.71.

The District's HOA Operating Account received total revenue of \$371,501.40 and had total expenditures of \$397,995.71, which resulted in a net operating loss of \$26,494.31.

District HOA Landscape Account

Revenues applied for providing HOA services related to the landscaped properties conveyed from the HOA to the District were in the form of taxes and investment income. The amounts received for 2008 were as follows: Tax revenue of \$360,862.00; and Investment Income of \$845.02. The total revenue received into the HOA Landscaping Account for 2008 was \$361,707.02.

Expenses applied for providing HOA services related to the landscaped properties conveyed from the HOA to the District were as follows for main categories; detail is included in the attached reports: Personal Services of \$62,168.47; Contract Services of \$70,681.39; District

Operations of \$3,617.08; Administrative Operations of \$17,804.96; Common Areas Operations of \$94,318.35; and Capital Outlay of \$83,208.00. The total expenditures for HOA landscaping were \$331,798.25.

The District's HOA Landscaping Account received total revenues of \$361,707.02 and had total expenditures of \$331,798.25, which resulted in a net operating income of \$29,908.77.

Total of Accounts Used to Fund HOA Services

The total for all accounts used to fund HOA services in 2008 was revenue of \$733,208.42 and total expenditure of \$729,793.96, which resulted in a total operating income of \$3,414.46.

