

## **RECORD OF PROCEEDINGS**

### **MINUTES OF AN EMERGENCY MEETING OF THE BOARD OF DIRECTORS OF**

#### **GVR METROPOLITAN DISTRICT**

Held: Saturday, December 13, 2008 at 11:00 a.m., at the GVR Metropolitan District Office, 18650 East 45<sup>th</sup> Avenue, Denver, Colorado

**Attendance** An emergency meeting of the Board of Directors of GVR Metropolitan District, Denver, Colorado, was called to order at 11:05 a.m. and held as shown above and in accordance with the applicable statutes of the State of Colorado with the following directors present and acting:

Earleen Brown, President  
Michael George, Vice President  
Anthony Noble, Treasurer  
Mary Schumer, Secretary  
Elana Perry, Director  
Joanne True, Director  
Charles Britton, Director

**Also present were:** Andrew Pimental, District Manager; Micaela Duffy, District Accountant; and Evan D. Ela, Legal Counsel.

**Call to Order and Establish a Quorum** The meeting was called to order at 11:05 a.m. by Chairman Brown, noting that a quorum was established by the presence of all Directors.

**Approve Agenda** Mr. Ela informed the Board that the sole agenda item for the emergency meeting was to consider the compromise proposed at a District Court Hearing concerning litigation between the Master HOA and the District on certification of taxes for 2009.

**Action Items**

1. Litigation compromise  
Mr. Ela distributed to the Board copies of the Complaint and Motion for Injunctive Relief filed by the Master HOA against the District at the close of business on Thursday, December 11, 2008. Mr. Ela related for the Board the 9:00 a.m. hearing on December 12, 2008 scheduled by the Denver District Court in response to the Complaint

and Motion, and described his participation, along with Mr. Andy Fisher and Chairman Brown, as representatives of the District at the hearing. The Board was informed that the Court would allow an evidentiary hearing on assertions made by the Master HOA, and indicated during summary argument by the Master HOA's attorney that the Court would likely enter some form of temporary relief on behalf of the Master HOA. With the Court's statement of intent, the parties conferred in the courtroom to create a compromise concerning the certification of mill levies required no later than close of business on December 15, 2008. Mr. Ela explained that the compromise reached involved a revised certification of tax levies by the District to allocate a smaller portion as a bond obligation mill levy and a greater portion as an operating mill levy. The total mill levy in the revised certification would remain exactly the same as in the original certification which had been approved by the District Board at its December 10<sup>th</sup> regular meeting and certified to the City and County of Denver on December 11, 2008. The total mill levy being certified by the District for 2009 equals 30.274 mills. The revised certification proposed by the compromise would certify 30.274 mills in total, with 17.509 for general operating expenses and 12.765 for general obligation bonds and interests. Mr. Ela explained that the revenues received from the imposition of a general operating mill levy can be used flexibly for either operating purposes or to pay debt obligation and interest. He explained that the compromise did not obligate the District to change its budget allocations of money to debt or operating purposes, but did provide the flexibility for the Board to change such budget allocations if desired, prior to the certification of its budget to state officials at the end of January 2009.

Mr. Ela explained to the Board that the compromise reached with the Master HOA would involve the issuance of an Order by the District Court requiring the revised certification of the mill levies as described above, and an additional cooperative effort between Boards of the Master HOA and the District to re-evaluate the District's budget and determine if changes in funding allocations were necessary or appropriate, that any revisions to the proposed budget must be accomplished no later than January 13, 2009, at which time if either party is dissatisfied with the proposed budget allocations at that time, a mediation session will be held on January 15, 2009 for additional discussion of the proposed budget allocations, and further, if the either party is dissatisfied with any change to the budget allocation resulting from the mediation, the District Court would hear arguments at a hearing set for 8:30 a.m. on January 26, 2009. The Order would also

grant the District an extension of time for responding to the Master HOA Complaint until February 16, 2009.

The Board generally discussed the essence of the Complaint and Motion filed by the Master HOA, the implications to the District's budgeting and approval process, and the District's need to respond to the litigation. The Board expressed its regret that the Master HOA had filed litigation, and requested legal counsel to investigate all responsive measures.

**After thoroughly discussing the situation, upon motion by Director Schumer, seconded by Director Noble, the Board voted six in favor, with Director George opposed, to submit a revised certification of mill levies to the Assessor for the City and County of Denver on December 15, 2008, of 17.509 mills for general operating expenses and 12.765 mills for general obligation bonds and interest expenses.** Legal counsel was directed to designate on the revised certification that it was revised, and to timely file the document.

The Board discussed its special meeting that had been properly noticed on Friday, December 12, 2008, for Monday evening, December 15, 2008 to consider ratification of the emergency decision of the Board at this emergency meeting and other related matters.

Adjournment            Upon motion duly made and seconded the meeting was adjourned at 12:19 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the District on 21<sup>st</sup> day of January, 2009.

Respectfully submitted,

---

Mary Schumer, Secretary