

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

GVR METROPOLITAN DISTRICT

Held: Wednesday, February 18, 2009 at 6:30 p.m., at the GVR Metropolitan District Office, 18650 East 45th Avenue, Denver, Colorado

Attendance A regular meeting of the Board of Directors of GVR Metropolitan District, Denver, Colorado, was called to order at 6:30 p.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; Evan D. Ela, general counsel; Eric Gravenson; Will Williams; Mary Lopez; Paul Gilberto; Clayton Dewey; Jim and Fenna Tanner; John and Elaine Smith; Walt Cross; John Daniels; and Andy Fisher, litigation counsel (arrived at 8:00 p.m.).

1. Call to Order and Establish a Quorum Chairman Brown called the meeting to order at 6:30 p.m. and noted that a quorum of directors was present.
2. Approve Agenda The Board reviewed the published Agenda and discussed moving Item 8(a)(iii), Budgetary Payment Procedures, to Item 9(g) under Discussion Items. **Upon motion by Director George, seconded by Director Noble, the Board unanimously approved the Agenda as revised.**
3. Approve Minutes from Prior Meeting **January 21, 2009 Regular Board Meeting**
Director True noted several minor revisions for the Board to consider. **Upon motion by Director George, seconded by Director Schumer, the Board unanimously approved the minutes as revised.**

January 27, 2009 Special Board Meeting

The Board reviewed and discussed the minutes from this meeting. **Upon motion by Director Perry, seconded by Director Schumer, the Board**

approved the minutes by a vote of six in favor with Director True abstaining.

4. Conflicts of Interest Disclosures

None were announced.

5. Comment Period

a. Developer Representative(s)

No representative was present to give comment.

b. Master Homeowners Association

No officers of this association provided comment.

c. Public

Mr. Clayton Dewey addressed the Board on the prevalence of foreclosures in the neighborhood. He stated he was seeking community involvement in abating the problem. The Board generally discussed the situation with Mr. Dewey and invited his involvement with the District and Master HOA in attempting to lessen the problem.

Ms. Elaine Smith informed the Board that she had been appointed as the liaison between the Community Advisory Board (“CAB”) and the Metropolitan District, and invited anyone with concerns to address them to her. She also reported that at the last CAB meeting, it was announced that six new neighborhood watch programs had been formed within the Green Valley Ranch neighborhood. She also informed the meeting of an Earth Day event planned on April 19th in the late afternoon in front of the Green Valley Ranch Recreation Center.

6. Legal Report

a. Suspension of Community Center Contracts

Mr. Ela reported that Mr. Ben Tracy had recently sent additional correspondence to Vastco seeking a response on the District’s settlement offer, with no response received to date.

b. VPGTwo Commercial Development

General counsel distributed a draft agreement with VPGTwo, by which the District would rebate a portion of the system development fee owed for the carwash property if the carwash actually uses less water use over a period of three years. The Board discussed the terms of the agreement and suggested revisions, primarily to make the District a third-party recipient of water bills received by the carwash so that the District can monitor water use at the carwash. Director Perry stated that she knew such a service was provided by Denver Water for landlords of properties, and believed that the same service

could be provided for the District in this situation. Mr. Ela agreed to make that revision and other minor revisions recommended by the Board. **Upon motion by Director Perry, seconded by Director Noble, the Board unanimously approved the revised version of the agreement and directed Mr. Ela to finalize and transmit to VPGTwo.**

c. Other Matters

Mr. Ela informed the Board that based on research performed by his firm, the District is not legally prevented from becoming a member of the Far Northeast Neighbors Association and to have a representative actively participate. Chairman Brown directed that membership in the Far Northeast Neighbors be added to a future agenda for consideration.

Mr. Eric Gravenson requested that the Board describe for the attending public the status of the litigation brought against the District by the Master HOA. Mr. Ela then summarized for the meeting the District Court's Order issued on January 27, 2009 denying the Master HOA's claims for injunctive relief, but not disposing of the claims for breach of contract filed by the Master HOA. The Board and members of the public generally discussed the effect of the Court's Order and the ongoing litigation.

7. Director Items

Director Britton stated his opinion that too much District money was being spent on legal fees and on other consultants. He inquired about invoices for those services. Other Board members responded that invoices are submitted every month by all legal counsel and consultants, but that Mr. Britton's refusal to participate in reviewing and signing checks had caused him not to review the invoices. Manager Pimental stated he could provide copies of invoices to Mr. Britton for review.

8. Board Reports
Agenda

a. Financials

i. Financial Statements

Director Noble provided a summary of legal fees to date incurred by both the Master HOA and the District. He stated that the total was approximately \$150,000 based on submittals for reimbursement by the Master HOA and invoices received by the District. Noting that this was a significant investment, **upon motion by Director George, seconded by Director Noble, the Board unanimously approved the posting of all litigation pleadings, the District Court Order, a statement of legal fees spent to date, and the projected legal budget for 2009 on the District's website.**

Director Noble provided a financial summary report to the Board including statements of revenues and expenditures for the overall District Budget as well as the HOA budget items. He stated that improvements to the financial reporting are being developed by himself, Manager Pimental and Ms. Duffy.

The Board discussed the fixed asset accounting required by State law and discussed the change in value of the 4000 Argonne property. It was noted that with the removal of the house that used to occupy the property, the asset value of the property has diminished. It was noted that the 2008 audit will account for the change as required by law.

Upon motion by Director Perry, seconded by Director Schumer, the Board unanimously accepted the financial report.

ii. Check Detail, Payroll and Vouchers Payable

Upon motion by Director Schumer, seconded by Director Perry, the Board unanimously approved payment of all vouchers payable included in the check detail provided to the Board at the meeting.

b. District Manager Report

Director Pimental directed the Board's attention to the Manager's Report as provided in the Board packets. Comments were made as follows:

- Director True inquired about the care of trees at the 4000 Argonne property, the change of the website vendor by the District, possible site obstruction caused by median vegetation, and the Youth Program field trip destinations planned for 2009. Andrew Pimental provided responses on each matter.
- Director Britton questioned the benefit of District Board members attending committee meetings held between regular Board meetings. He stated that he believed the Board members' involvement to be ineffective. The Board generally discussed the involvement of the Board in committee activities and Manager Pimental requested input on changes to scheduling of committee meetings, if necessary, to accommodate Board member attendance.

9. Discussion
Items – Old
Business

a. Consideration of Proposed Budgeting and Expenditure Policies

Manager Pimental reported that a draft of these proposed budgeting and expenditure policies was still being worked on and provided a redlined draft with suggestions made by T.J. Stone on behalf of the Master HOA, as well as a version revised by Chairman Brown. The Board determined by consensus that a composite draft was needed and that the matter should be tabled for later discussion.

b. Consideration of Proposed Bylaws

Director Schumer indicated that her committee was still working on the draft of bylaws. She stated her desire to have another committee meeting during the last week of March and that a draft for Board consideration would be available after that time.

c. Consideration of District Committees and Appointments

The Board generally discussed committees and possible appointments to the committees as provided in a summary by Manager Pimental. The Board discussed the need for the various District committees and possible appointees. **By consensus the Board approved the committees proposed by Manager Pimental and asked him to post on the District's website a listing of the committees and an invitation to community members to volunteer for such committees.**

d. Consideration of Invoice from City of Denver

General counsel noted that an invoice had been received from the City of Denver for \$3,000 as an annual fee for special districts located in Denver and briefly described the history of the fee, the possible implications of not paying, and the District's prior actions. **Upon motion by Director Britton, seconded by Director George, the Board unanimously agreed that the District should pay the same amount on the invoice as in 2008, meaning that the District would not provide any payment to the City of Denver in 2009.**

e. Joint Meeting of the Master HOA and District Boards

Chairman Brown stated that she had recently sent an email to Mr. Stone for help in getting support of the HOA Board members for a joint meeting. She stated that she had not yet received a response.

f. Maintenance Building Projects

Manager Pimental presented the model of the site plan for the District's administration building and proposed maintenance facility. The model had been developed during the approval process for the planned unit development for the site. The Board generally discussed the design of the new building, the need for it, and other factors. **Upon motion by Director Schumer, seconded by Director Noble, the Board determined to refer the maintenance building project to the Implementation Committee for evaluation and recommendation by a vote of six in favor, with Director Britton opposed.**

g. Budget and Expenditure Procedures

The Board noted that this item was on the Agenda as Item 9(a) and had been discussed.

10. Discussion
Items – New
Business

a. Consider Policy Changes for Youth Recreation Program

Manager Pimental informed the Board that there is no written policy manual

for the Youth Program policies and procedures. He stated that a written document would be helpful to guide the staff. He suggested the following changes to past practices within the program:

- set a threshold number for attendees for each camp;
- set a new policy requiring that if the threshold was not met by the registration deadline, the camp would be canceled rather than subsidizing the camp for the small number of attendees;
- institute an early registration discount to encourage possible attendees to sign up early, and thereby aid the early planning for the program; and
- establish an in-District and out-of-District rate differential to reflect the fact that in-District residents pay taxes in support of the program.

Upon motion by Director George, seconded by Director Schumer, the Board voted to adopt the Manager’s recommendations for revisions to the Youth Program by a vote of six in favor with Director True opposed.

b. Planning/Implementation Committee Organization Meeting

Chairman Brown asked to set up the first meeting of the Implementation Committee. Director Noble volunteered to chair the committee. The Board discussed their desire that the committee include any Board members who want to participate, and also appointed community members Eric Gravenson, Bif Berkenmeyer, Jim Tanner, and Carlene and Gary Hill.

c. Annual Report to HOA on Services Provided

Manager Pimental described the annual report being compiled by the staff, with input from general counsel, that will include a summary of expenditures made on behalf of the Master HOA during 2008. He indicated that the report is required by the Services Agreement, and that only recently had the accounting for 2008 been closed out to allow development of the report. Director Noble summarized the accounting summary for the Board. **Upon motion by Director George, seconded by Director Perry, the Board unanimously approved finalizing the annual report and providing it to the Master HOA as soon as possible.**

11. Executive Session

Chairman Brown requested a motion from the Board to enter Executive Session for the purpose of discussing positions within the ongoing litigation with the Master HOA which may be subject to negotiations, and to obtain confidential legal advice on specific legal questions related to the litigation as allowed by statute. Director True noted her objection to being excluded from the Executive Session despite her direct involvement in the litigation on behalf of the Master HOA and her service as a Master HOA Board member. **Upon motion by Director George, seconded by Director Perry,**

the Board voted unanimously to enter Executive Session at 8:56 p.m., with Director True excused.

The Board reconvened its regular meeting from Executive Session at 9:49 p.m.

12. Other Matters Telephone calls were made by general counsel to the telephone numbers provided by Director True to notify her that the Board was out of Executive Session and to invite her participation in the balance of the open session. Voice messages were left at the two telephone numbers for Director True.

a. Spring Tree Planting Project

Manager Pimental explained the bids he had received on completing the tree planting during the Spring, a project that had been discussed before the Board on several occasions. He stated that Green Valley Ranch Landscape had provided the most responsive and least cost bid. **Upon motion by Director George, seconded by Director Schumer, the Board unanimously approved the hiring of Green Valley Ranch Landscape to complete the springtime tree planting.**

b. Budget and Expenditure Policies

The Board reviewed and discussed the redline drafts containing revisions suggested by President of the Master HOA, revisions suggested by Chairman Brown and revisions suggested by general counsel. During discussion, the Board noted its preferred revisions and the principles of the policy, to which general counsel took notes. **Director George moved and Director Schumer seconded acceptance of the Budget and Expenditure Policies with the revisions and principles discussed among the Board by a vote of six in favor and none opposed.**

13. Adjournment **Upon motion duly made and seconded the meeting was adjourned at 11:04 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 18th day of March, 2008.

Respectfully submitted,

/s/ Mary Schumer

Mary Schumer, Secretary