

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, January 20, 2010 at 6:30 P.M. at the
GVR Metropolitan District Office, 18650 East 45th
Avenue, Denver, Colorado.

Attendance

The regular meeting of the Board of Directors of the GVR Metropolitan 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 continued qualification to serve on the Board, were in attendance:

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

Absent: None.

Also present were Andrew Pimental, District Manager, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Charles Foster, Developer Representative; Jim and Fenna Tanner, Eric Gravenson, Roger Rohrer, Elaine Smith, Mike Haskins, Ron Greening, Mariann Toomey, and Chris Maj, District residents.

Call to Order / Quorum

Chairwoman Earleen Brown noted that a quorum of the Board existed with six directors present. Thereafter, Ms. Brown called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

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Approval of Agenda

The Board reviewed and approved the agenda without revision by a vote of five in favor to one opposed (Director Britton).

Conflict of Interest/ Disclosure Matters

Ms. Vander Wall reviewed with the Board members the materials previously distributed regarding conflicts of interest, including a description of the statutory and common law guidelines and requirements concerning their identification and disclosure. She also pointed out the criminal and civil remedies which exist for violation of the laws. Ms. Vander Wall reminded each Director of the requirement to identify all existing and potential conflicts of interest each Director may have in connection with serving as a member of the Board. She requested that each Director complete the conflicts disclosure forms provided, which her firm would file on behalf of the Directors with the Secretary of State as a “standing” disclosure. Any additional disclosures which may come up over the course of the year should be noted by the Director, for disclosure and filing in advance of discussion.

Ms. True noted that she may have a perceived conflict in her position as the Manager of the GVR HOA, and potential discussions regarding HOA contract negotiations as noted on the agenda. No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held December 9, 2009 were read. Upon motion duly made and seconded, the Board approved the minutes as presented by a vote of five in favor to one opposed (Director Britton).

Next, the minutes of the special meeting of the Board of Directors held January 6, 2010 were read. Upon motion duly made and seconded, the Board approved the minutes as presented by a vote of five in favor to one opposed (Director Britton).

Public Comment Period: - Public Comment

Ms. Elaine Smith spoke to inform the Board and audience that she had resigned from her position on the Community Advisory Board; however she intends to continue to attend the meetings. Ms. Smith also noted that she appreciated the District’s senior programs, and suggested that the District consider offering a “grief” group for seniors, noting that she has recently run into seniors who have recently lost their spouses and who may benefit from such a program.

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- Master HOA for GVR
Mr. Roger Rohrer spoke on behalf of the Master Homeowners Association for Green Valley Ranch. He indicated that the HOA has recently returned the amount of \$10 paid as late fee charges to 582 homeowners, and returned the amount of \$40 paid as administrative fees to those homeowners who had paid that fee. He further noted that the HOA expects to have its budget completed shortly.

- CAB
There was no further report from the Community Advisory Board.

- Developer Representative
There was no report presented from the Developer Representative.

- Other Public Comment
Mr. Chris Maj introduced himself as a homeowner who purchased a home last summer located across from the open space park at 41st and Lisbon. He noted that the park was identified as “natural turf” when he purchased the home, and has recently learned that the park will be converted into youth playing fields. Mr. Maj explained that he preferred the property to be left in its natural state, based upon it serving as a home to wildlife, requires less irrigation and therefore less cost, and noting that there are alternative areas for kids to play. Mr. Pimental explained that the determination to convert the area to youth playing fields was done following a process involving public comment; its funding is subject to the receipt of grant funds, which is unknown at this time. If the District is not awarded the applied-for funds, then the project will be phased over time, to be performed as funding is available. Mr. Pimental invited Mr. Maj to meet with him further to learn more about the project.

- Legal Report
Ms. Vander Wall directed the Board members to her written legal report which identifies outstanding items for the Board member update. She noted that the transition of legal counsel is close to complete. Ms. Vander Wall stated that the District is represented by outside special litigation counsel, Mr. Ben Tracy of Nathan Bremmer, Dumm & Myers, P.C., who has consulted with the District’s Manager concerning the outstanding claim that the District has against Pirnack-Walters.

Mr. Pimental reported that Mr. Tracy has spoken with Mr. Pirnack following the demand letter sent in December per the Board’s direction. The contractor states that the representation

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that all of the contractor's charges were paid up was made in error, that the contractor has documentation to support additional charges incurred, and is in the process of collecting these documents. Mr. Pimental also reported that the contractor has requested to come before the Board to explain the charges incurred; he noted that Mr. Tracy suggests the Board listen to what the contractor has to say.

The Board discussed at length whether to allow the additional presentation from Pirnack-Walters. Ms. Vander Wall suggested that the Board not meet with Mr. Pirnack, as there has been an offer extended to which there has not been an official response; alternatively, Mr. Pimental could be appointed to hear Mr. Pirnack's position, and convey the information to the Board. After further deliberation, Mr. Noble proposed that the Board direct Mr. Tracy to request that Mr. Pirnack produce his response to the District's offer within two weeks. Subject to receipt of the response to the District's offer from Pirnack-Walters, the Board would allow Mr. Pirnack to discuss his charges with the Board at the February meeting. The Board agreed to this proposal and asked Mr. Pimental to convey this direction to special legal counsel.

Director Items

With the exception of Director Britton, no Board members had any items to bring before the Board at this time. Director Britton thereafter withdrew his item, without presentation, due to time limitations.

Board Reports: - Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending November, 2009. He pointed out the \$3.4m net loss shown on the financials resulting from the recent bond refunding which was not originally budgeted. He noted the revenues received and expended in District versus HOA-related activities, for the period. Following a motion by Director Schumer, seconded by Director Brown, and a vote of five in favor, one opposed (Director Britton), the Board accepted the financial reports as presented.

Mr. Noble next reviewed with the Board the listing of claims payable through January 20, 2010, totaling the amount of \$40,719.86, and noting that this is a corrected amount from a previous draft which had been circulated, as it now includes the claim for the feasibility study for the detention ponds performed

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by Nolte Associates, Inc. The Board members held a detailed discussion concerning the expenditure for the tree replacement, including the costs of the replacement trees and the warranty obligations; the District's mapping and tree inventory records; the results of the District's tree pathologist report; and the application of HOA requirements to the District related to trees. Following a motion by Director Schumer, seconded by Director George, and a vote of five in favor, one abstention (Director Britton), the Board approved the payment of claims as presented.

- District Manager Report

Manager Pimental directed the Board members to the Manager's Report provided in the Board packets. He described the new "Coffee and Chat" program offered by the District, which will involve bringing in a speaker to speak on relevant topics, to be held at the administrative building. If the program becomes popular, he may try to expand the program to use space through the Denver Park and Recreation facilities.

Mr. Pimental discussed with the Board members a proposed snow removal plan for the District. The plan would include a prioritization of snow removal from District streets, sidewalks and trails, using snow accumulations as well as school operations (higher-trafficked areas) for timing and location guidelines. He discussed recent concerns brought to his attention for snow removal over weekends and on holidays. He described the use of District staff versus the District's landscape contractors for snow removal services. The Board discussed these items, including Denver Code requirements related to resident obligations for snow removal. Mr. Pimental concluded by requesting feedback from the Board members on these issues, which will then be incorporated into a proposed District snow removal plan policy to be brought back to the Board for approval.

Director Schumer requested that the Community Program Committee report include actual dollar amounts related to the financial discussions.

Discussion Items / Unfinished Business

- Director Affidavits

Ms. Vander Wall noted that she has received some but not all of the executed affidavits of qualification for the directors. She asked that the remaining affidavits be completed and be turned in to Mr. Pimental, who would provide them to her office.

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- Appointment to Board
Vacancy

The Board discussed the vacant seat left by the resignation of Ms. Elana Perry. Mr. Pimental described the process used to advertise the vacancy, including a broadcast e-mail to residents who have indicated they'd like to receive District information, and publication on the District's website. In response, the District has received three letters of interest from the following individuals: Ms. Fenna Tanner, Mr. Charles Spratt, and Mr. Michael Haskins. The Board discussed the next step in the process for appointment. Ms. Vander Wall confirmed that the three individuals have each met the legal qualifications for being a special district director; Mr. Pimental also confirmed the individuals have passed the background check required by District policy. The Board noted that the vacancy to be filled will last only until May, 2010. Whomever may be appointed will be required to run for the position as part of the election process, in order to continue to serve on the Board. The declaration of candidacy requires submission of a nomination form by February 26, 2010.

Ms. Tanner and Mr. Haskins were each invited to speak as to their interest being appointed to fill the director vacancy. Mr. Spratt was not in attendance. Both individuals expressed an interest in assisting the community by their service on the Board of Directors.

Director Britton pointed out that in December 2008 certain Board members had declared they would not run for reelection. The Board members disagreed with Mr. Britton's assertion.

After a tally of written ballots, the Board members voted to appoint Michael Haskins to the Board. Mr. Haskins' appointment was deferred to the end of the meeting.

- Resolution 1-20-10A,
Annual Administrative
Resolution

Ms. Vander Wall reviewed with the Board the administrative resolution, which was previously distributed. Minor changes to the resolution were discussed, which were agreed to be incorporated into the proposed resolution. After further discussion, the Board voted in favor of approval of the resolution, as amended, with a vote of five in favor and one opposed (Director Britton).

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Discussion Items / New Business

- Contract for Nurse Practitioner Services

Mr. Pimental introduced the proposed contract for registered nurse services, required in connection with the District's youth programs as part of the state childcare licensing regulations. The contract identifies the scope of services to be performed by the nurse, at the rate of \$70 per hour. Ms. Vander Wall added that she has updated the form of contract to provide additional legal protections to the District. The Board spent time discussing the appropriate description of services to be included in the contract, the minimum nurse licensing requirements required by state regulations, and the competitive rates for such services. Mr. Pimental agreed to bring the contract back to the Board at the next meeting with additional information regarding these inquiries.

- Invitation to HOA Board to Initiate Service Agreement Committee

The Board discussed next steps toward the initiation of a new contract with the HOA for common services between the District and the HOA. Ms. Vander Wall suggested that the District identify together with the HOA what the parties' goals are, identify what went wrong the last time around, and then apply the legal parameters for the resulting contract. She indicated that there is currently a lawsuit on appeal in the El Paso County area involving the adequacy of a contract between a special district and a homeowners' association for covenant enforcement activities, as well as the legal authority of a special district to impose fines and enforce liens resulting from covenant violations. The lawsuit may be helpful in guiding the District in the contract discussions; however, the final outcome of the case will likely take six to ten months to obtain a final ruling. The Board agreed to form a committee of a few board members to initiate the discussion with the HOA; board members Mary Schumer, Joanne True and new board member Mr. Haskins all indicated an interest in serving on the committee. Ms. True was asked to be cognizant of the potential conflict of interest she may hold in her position as manager of the HOA and serving on the committee on behalf of the District. It was noted that a committee of three board members discussing official District business triggers the open meeting requirements involving appropriate public notice and minutes of the meeting. Ms. Schumer volunteered to take the meeting minutes.

Following further conversation, the Board determined to proceed with the commencement of the committee discussions toward the eventual contract with the HOA for sharing of

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services in the manner discussed. The Board members were directed to submit any ideas they may have for the new “vision” to the committee.

Executive Session

There were no items for executive session at this time.

Appointment of New Director Michael Haskins

Chairwoman Brown administered the oath of office to Michael Haskins and welcomed him to the Board of Directors.

Other Business

There was no other business for discussion at this time.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 9:35 p.m.

Secretary for the Meeting

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