

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, February 17, 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
Michael Haskins, Director

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, Walt Cross, Eric Gravenson, Paul Gilberto, Elaine Smith, and Derek Savage, District residents; and Mr. Ben Tracy*, Nathan, Bremer, Dumm and Myers, P.C., special litigation counsel to the District.

[*Arrived when indicated.]

Call to Order / Quorum

Chairwoman Earleen Brown noted that a quorum of the Board existed with seven directors present. Thereafter, Director Brown called the regular meeting of the Board of Directors of

RECORD OF PROCEEDINGS

the GVR Metropolitan District to order.

Approval of Agenda

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

Director Britton announced that he had not received his meeting materials. Manager Andrew Pimental indicated that the meeting materials had been mailed to him on Friday by U.S. Mail, the same date that the materials were sent via electronic mail to the other Board members.

Conflict of Interest/ Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held January 20, 2010 were read. Director True suggested adding an "s" to the word "member" in the District Manager Report, page 5. Upon motion duly made and seconded, the Board approved the minutes with the suggested change by a vote of six in favor to one opposed (Director Britton).

Public Comment Period: - Public Comment

Mr. Jim Tanner requested to speak to the Board in executive session regarding a letter he had received, addressed to the District and dated May, 2009, concerning District business. Legal counsel noted that without further information, the request did not meet the legal criteria necessary to convene in executive session, and recommended that the letter be presented to the Manager. Mr. Tanner proceeded to read the letter, but stopped after the letter was declared to be a confidential document. Mr. Tanner then turned the letter over to Chairwoman Brown.

- Master HOA for GVR

In the absence of Roger Rohrer, Mr. Tanner next commented on behalf of the Master Homeowners Association for Green Valley Ranch. He noted that the HOA Board representatives have met with the District representative members on the Services Agreement Committee, and the members are looking forward to

RECORD OF PROCEEDINGS

moving ahead. He also noted that the HOA Board has held discussions on the HOA budget; Mr. Rohrer has the final budget documents.

- CAB
There was no report from the Community Advisory Board.
- Developer Representative
Mr. Foster had nothing to report on behalf of the Developer at this time.
- Other Public Comment
Mr. Derek Savage introduced himself as a resident who purchased a home in the community in May, 2009. He has noticed a lack of trash cans in his neighborhood and along the District's walkways and paths, which he noted would be used by kids with empty food wrappers, persons cleaning up after dogs, etc. Mr. Pimental noted that the District currently has 11 trash cans placed throughout the District, some with a combo doggie depot station. The District's landscape committee has identified this as a need, and the District has budgeted for 4 additional trash cans in 2010. Mr. Savage also suggested the creation of forums or school outreach programs to send a "keep our community clean" message to the neighborhoods. Chairwoman Brown invited Mr. Savage to assist in the creation of such a committee. Mr. Pimental invited Mr. Savage to assist in identifying the locations for the placement of the new trashcans once acquired.

Attorney's Report
Ms. Vander Wall directed the Board members to her written legal report which identifies outstanding items for the Board member update. She also gave a summary description of three new ballot measures which will be on the Statewide ballot in November, 2010: Proposition 101, Amendment 60 and Amendment 61. These measures will significantly impact the State and local governments such as the District. She expects to be able to distribute written materials to the Board members with more information regarding the ballot measures.

Director Items
Director Britton reported that he was approached by a police officer regarding the allegation of release of confidential information.

Director Brown distributed materials prepared by CRS Management Services to the Board members. She indicated that members of the public and other directors have made inquiries as to its services. She noted that it may be useful for the District, in

RECORD OF PROCEEDINGS

its endeavors with the HOA, to look at the propriety of the certain expenditures, as well as assess the District's strategic planning in the event of an emergency. Director Brown concluded by recommending that the District's planning committee review alternative management services. Director Britton indicated that this would be a good idea. Director Noble noted that it will be important for the Board to first identify specifically what services it needs and wants, in order to determine whether and to what extent another management company may save the District in costs.

Board Reports: - December Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending December 31, 2009. He pointed out the general reduction in the District's cash position primarily due to the recent bond refunding and pay down of District debt. Following a motion by Director Schumer, seconded by Director True, and a vote of six in favor, one opposed (Director Britton), the Board accepted the December financial reports as presented.

There was no check detail for December for discussion.

- January Financials

Director Noble next presented the Board with the financial report for the District for the period ending January 31, 2010. He pointed out that the District's reduction in tax revenues are as a result of Denver's error causing tax receipts to be paid to GVR in 2005, which should have been paid to Ebert Metro District. Mr. Noble indicated that Micaela is working on investigating the error and the financial impact to the District. He noted that it is likely to affect tax revenues paid to GVR in 2006 – 2009. Following a motion by Director Schumer, seconded by Director George, and a vote of six in favor, one opposed (Director Britton), the Board accepted the January financial reports as presented.

Director Noble then reviewed with the Board the listing of claims payable through February 17, 2010, totaling the amount of \$16,097.92. The Board members held a detailed discussion concerning the expenditure of \$3,000 in payment of Denver's "Special District Annual Review and Monitoring Fee." Director True raised the issue regarding why the District would choose to pay the fee in February, when it does not come due until June, 2010. Following further discussion, and upon motion by Director Schumer, seconded by Director Brown, and a vote of five in

RECORD OF PROCEEDINGS

favor, two opposed (Directors Britton and True) the Board approved the payment of claims as presented.

- District Manager Report

Manager Pimental commenced his report by asking for guidance from Director Britton and the Board members as to means for delivery of District meeting materials to Director Britton, based on Director Britton's not being able to receive materials electronically, and failure of timely receipt using the U.S. Mail, which are outside of his control. The Board members advised the appropriate method would be to have Mr. Britton's meeting materials placed in a box identified with Mr. Britton's name, located in the administrative offices, and that such materials would be available for pick up on Friday afternoons or later, prior to the Wednesday Board meeting of the following week. Director Britton agreed that this method was acceptable.

Mr. Pimental reported that he is working on the District's Policies and Procedures with staff. He requested Board input by March 15, 2010.

Mr. Pimental directed the Board members to the Manager's Report provided in the Board packets. He noted that the District held its first "Coffee and Chat" program. He hopes to continue to build momentum on this and other adult-oriented programs offered by the District.

Mr. Pimental reported that the District will be commencing Irrigation / Maintenance Technician interviews over the next several days.

Next, Mr. Pimental reported that he has received a letter from the Far Northeast Neighbors, Inc. requesting that the GVR Metro District Board renew its membership with the organization. He reminded the Board that at the Board's March 2009 meeting, the Board voted to join at the rate of \$100 for the year. Mr. Pimental will include this on next month's agenda.

Mr. Pimental also reported that the Far Northeast Neighbors will be convening a district candidate forum to be held on April 8, 2010 at 7:00 p.m. at the GVR Elementary School. The Board members held a lengthy discussion on what the District could and could not do legally in its involvement with the candidate forum, and in making candidate information available to homeowners in

RECORD OF PROCEEDINGS

advance of the directors' election. The Board members acknowledged that any such distribution would be made on a neutral basis, to include a disclaimer that the District is neither supporting nor endorsing any of the candidates.

Mr. Pimental shared with the Board an e-mail from an out-of-state property owner complimenting the District and the HOA on its newsletter.

Discussion Items / Unfinished Business

- Pirnack – Walters dispute

Mr. Pimental advised that Mr. Pirnack will not be addressing the Board at the meeting. The District's special litigation counsel, Mr. Ben Tracy, will be bringing a litigation update to the Board in executive session, to take place later in the meeting.

- Contract for Registered Nurse Services

In follow up to the inquiries made at the last meeting, Mr. Pimental directed the Board members to a memo included in their meeting materials describing the state requirements for registered nurse services in connection with the District's youth programs; as well as comparisons of amounts paid by six other organizations which average \$71/hour. The scope of nurse services includes safety administration, medication training and delegation and consultation services. There was discussion concerning staff members taking the required medical certification course. The current contract expires in May, 2010. Mr. Pimental stated that he expects to have a contract to present to the Board for approval at the March meeting.

- Committee Update re HOA / District Services Agreement

Director Schumer reported that the committee held its first meeting on February 8, 2010. The purpose of the meeting was to identify the Master HOA's goals. Committee members, Directors True and Haskins, also agreed that the meeting went well; each member was tasked with "homework" to bring back to the next meeting scheduled for March 8, 2010. Director Schumer indicated that she took the minutes of the meeting, and will prepare them for submittal to the Board for approval.

- MOU re Joint Newsletter with HOA

The Board members discussed the draft Memorandum of Understanding included in their meeting materials, which outlines the arrangement for the production and distribution of the District's newsletter and the Master HOA's newsletter. Ms. Vander Wall stated that the draft MOU was prepared by the District's prior counsel; she has provided the District with a legal memorandum outlining First Amendment Constitutional

RECORD OF PROCEEDINGS

issues to govern the District in the endeavor. The “newsletter” is actually two different newsletters prepared independently of each other, one by the HOA and one by the District, which are disseminated jointly to the same audience with the intent of achieving savings by sharing in the production costs and time.

[*Mr. Ben Tracy arrived during this discussion.]

The Board discussed the application of the First Amendment freedom of speech and press constitutional protections and standards to the District’s newsletter. The Board discussed generally whether to allow all types of editorial content or to broadly prohibit such content without discrimination. The Board determined to modify the provisions of the MOU to clarify the work product is of two distinct newsletters, to require that each entity review its own content, and to acknowledge and require that the District’s newsletter be prepared in conformity with applicable constitutional standards. The Board also discussed modifying certain dates specified in the MOU, so that the content is provided 15 days in advance of the mailing, and to require 30 days written notice in the event of termination. Mr. Pimental agreed to work with legal counsel on the revisions noted and bring the MOU back to the Board for approval at the March meeting.

Discussion Items / New
Business:
- Detention Pond at 42nd and
Lisbon

Mr. Pimental introduced the topic of next steps in the planning process for the detention pond at 42nd and Lisbon project, which has been submitted for GOCO grant funding. The District expects to learn the outcome of the grant application sometime in the Spring. Director Britton raised the issue of the need to identify the District’s maintenance costs, should it receive the grant funds and proceed with the project development. The Board deliberated the time and expenditures required to put together a budget and plan for the project future maintenance costs, without having any certainty as to the project itself. Mr. Pimental noted that he estimates it will take approximately 1 – 1.5 mills of District tax revenues to fund maintenance costs. The Board determined to proceed with the preparation of a business plan to further estimate the costs, in order to be prepared in the event the District is successful in the grant request and to provide some options to proceed with the project in a more limited scope if the District is not successful in the grant request.

RECORD OF PROCEEDINGS

- Acquisition of Jebel & 48th Avenue Parcel

Director Brown reported that she has been approached by a broker concerning the purchase and sale of the approximate 3-acre parcel located at Jebel and 48th Avenue. This parcel was previously considered by the District for acquisition in connection with the construction of a community center. According to the broker, the purchase price remains at \$675,000. The Board discussed issues attached to the parcel when it was previously considered, notably the valuation of the parcel, specific covenants impacting the use of the parcel, zoning, and a first right of refusal. Additionally, Director Brown recalled that previously the parcel had been determined to not be of sufficient size for the District's use. The broker's communication to Director Brown indicates that the seller would be willing to clear the title to the District's satisfaction. The Board discussed the advantages of control and ownership of the parcel for the proposed District uses which might include administrative offices, maintenance facility and community center. Director Noble suggested that Director Brown advise the broker that the issue is under the advisement of the Board.

The Board also discussed the potential for the acquisition of another 4-acre parcel owned by the Presbyterian Church. Director Brown indicated that she would follow up with Mr. Pimental and the developer regarding the status of this parcel.

Other Matters:

Ms. Vander Wall indicated that, with the exception of Director Britton, all Board members have completed their director affidavits and conflict of interest forms. She requested that Mr. Britton return these completed forms to the Manager or to her office at his earliest convenience.

The Board members generally discussed the Marrama Elementary School request to obtain an easement from the District for school parking and egress options in return for District use of the school for various District programs. Mr. Pimental noted that the school has been requested to respond to District questions, after which he will bring the issue back to the Board with a recommendation for consideration.

Executive Session

Upon approval by a vote of at least two-thirds of a quorum of the Board, the Board determined to go into executive session for the purpose of discussing pending litigation related to the Pirnack-Walters contract dispute and developing related

RECORD OF PROCEEDINGS

negotiating positions; and consultation with the attorney on specific legal questions related thereto, pursuant to § 24-6-402(4)(b) & (e), C.R.S., at approximately 9:35 p.m.

The Board reconvened from Executive Session at approximately 10:17 p.m. and affirmed that no actions had been taken during executive session.

Pirnack-Walters Dispute

Following discussion in executive session regarding the parties' positions on the return of contract funds, the Board directed Mr. Tracy to immediately send a demand letter to Mr. Stew Pirnack for the delivery of adequate documentation to support the company's invoice for the disputed amount of \$65,125. The letter will also request an immediate return to the District of the undisputed amount of \$77,792 owed to the District, to show good faith and a mitigation of the accrual of statutory interest. Assuming timely receipt of the documentation, Mr. Tracy will review the records and make a recommendation to the District. If the documentation is not forthcoming, or is inadequate to support the contractor's claim, the Board members agreed to proceed with a demand for arbitration and mediation pursuant to the terms of the contract.

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 10:20 p.m.

Secretary for the Meeting

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