

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, October 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. Except where indicated, the following Directors, having confirmed their continued qualification to serve on the Board by affidavit filed with the District, were in attendance:

Michael George, President
Michael Haskins, Vice President
Anthony Noble, Treasurer
Mary Schumer, Secretary
Fenna Tanner, Director
Earleen Brown, Director

Absent: Chuck Britton (absence excused)

Also present were Andrew Pimental, District Manager, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Eric Gravenson, Mariann Toomey, Elaine Smith, Walt Cross, Derek Savage and James Tanner, District residents; Denver Police Dept. Officers Day Lapira and Anita Gomez; and Charlie Foster, Town Center Metro District.

Call to Order / Quorum

Chairman Michael George noted that a quorum of the Board existed with six directors present. Thereafter, Director George called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

The Board unanimously agreed to excuse the absence of Director Chuck Britton, which absence had been reported to the

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area, in part as a result of the reporting assistance from the community. Mr. Foster expressed his appreciation for Denver's pursuit and prosecution of graffiti tagging. The technicians noted that graffiti has been significantly reduced for the area.

Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report, which identifies outstanding items for Board update. She provided the Board with the proposed timeline for Denver's review and approval process for the service plan amendment. Ms. Vander Wall also discussed the outstanding issue of the management contract, which has been drafted for discussion. After further discussion, the Board agreed to review the draft at the November meeting for final approval at the December Board meeting.

Director Items

Director Tanner stated that she supports the District's purchase of an automated external defibrillator for the building. Mr. Pimental suggested that the purchase be delayed to 2011 to take advantage of additional grant funding options. The AED is estimated to cost approximately \$2,600.

Director Brown suggested the District provide the District 5 Denver Police Department with a plaque or other gesture of appreciation for the assistance provided to the community in working on lowering crime.

Director Schumer inquired if any feedback has been received from Mr. Chavez regarding payment. Mr. Pimental responded that he has not received any feedback.

Director George suggested the District host a dinner for the District Board, staff, volunteers and HOA board members, delegates and volunteers and their guests, in appreciation for their hard work done to benefit the community in 2010. The Board agreed with Mr. George and directed Mr. Pimental to proceed with the arrangements.

Board Reports: - September Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending September 30, 2010. He noted that the District has achieved 98% of property tax collections. Following further discussion, and upon motion, second and unanimous vote, the Board accepted the September

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financials and approved the payment of claims as presented.

- District Manager Report

Mr. Pimental reported on a new phone contract for the District which will result in savings; the new contract is for a three year period, which allows for an opt-out to accommodate the District's legal requirements. Mr. Pimental reported on a request from Mr. Paul Gilberto for graffiti funding, which has been included in the draft budget. He indicated that that District's work with the community has achieved significant reduction in graffiti.

Next, Mr. Pimental reported on the September 2010 Special District Association conference in Keystone, Colorado, including the director work session regarding the District's background.

The warranty trees have been planted along 48th Avenue, Himalaya, and Tower. There are still some gaps that will be filled in next Spring with conservation trust fund dollars.

Mr. Pimental reported that he is working with legal counsel and Oakwood on a property lease to house the District's maintenance equipment. The facilities are not yet constructed; Oakwood hopes to be able to lease the warehouse space by January 1, 2011. He noted that the existing storage space contains several items belonging to the District, which will need to be inventoried for continued storage or elimination.

The District sponsored winter youth camp will take place the weeks before and after Christmas.

Director Haskins asked if the Denver Police Department information regarding crime and community cooperation can be put into the District's newsletter. Mr. Pimental stated that the newsletter typically includes these statistics and information about two times annually.

Discussion Items / Unfinished Business:

- HOA / District Services Agreement

Ms. Vander Wall reviewed the revised draft HOA / District covenant enforcement services agreement with the Board and responded to various questions from the Directors. Some of the remaining items for completion of the agreement involve the description of the scope of services provided in the Exhibit. Ms.

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Vander Wall recommended that the scope be drafted tightly with sufficient detail so as to eliminate any confusion and second guessing as to the specific requirements being imposed upon either party. It was determined that further discussions would be required at the next Committee meeting.

2011 Landscape Maintenance Contracts

Mr. Pimental referred the Board members to his memo regarding recommendations made by the landscape committee for selection of contractors for 2011. GVR Landscape was recommended to perform the landscape turf maintenance services; TruGreen was recommended to perform the chemical application services; and Swingle was recommended to perform the District's tree care services, for a total of \$121,712 for the combined services. Mr. Pimental noted that he is working with legal counsel on the preparation of a form of landscape agreement for use with each of the services, in a format that is appropriate for the District. Director Noble inquired as to previous problems with GVR Landscape related to warranty expectations. Mr. Pimental indicated that the company is under new management, and he does not anticipate these problems continuing. The Board members also asked about whether the District can discontinue the contract should it become dissatisfied with the work. The contracts contain Board approval requirements as well as retainage to allow the District to adequately control the work. Following further discussion, and upon motion, second and unanimous vote, the Board approved the recommendations and contracts as presented.

- Draft Standard Operating Policy and Procedure Manual

Mr. Pimental noted that he has established a schedule for the review of the draft SOPP Manual in sections over time. He has requested that Board members respect the time deadlines.

- Draft 2011 Budget

Mr. Pimental presented the draft 2011 budget to the Board. Director Noble explained that he has met with staff to discuss various budget issues and key items. The assessed valuation for the District reflects a slight increase for 2010 to be applied in 2011. The draft budget includes a slight increase in mill levy; however, it has been drafted to be "lean" in expenditures. The HOA services costs have been estimated using the HOA's costs extracted from the HOA financial documents. The draft budget includes a contingency of 10% which is earmarked to allow the District to increase its debt service prepayment funds. The budget also provides for certain Board projects, including the preparation

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of a master plan and a strategic plan.

Director Schumer asked about the decrease in District operations and the increase in common area expenses. It was noted that the budget includes capital outlay funds needed to purchase a truck unless the District is able to extend the life of its existing vehicles.

Mr. Pimental reminded the Board that the public hearing on the 2011 budget is scheduled to be held at the November 17th Board meeting.

- Follow up re Sept. 22 Work Session

Mr. Pimental reminded the Board members that there remained items from the September 22nd work session for discussion. Director Noble indicated that he still intends to provide some key financial documents to the Board. These items will be forthcoming at a future meeting.

- 41st and Andes Ct. Walk-through

Next, the Board reviewed a proposed contract and work plan for the walkthrough at 41st and Andes Way. The landscape committee has recommended that the contract be separated into specific tasks, which would allow the concrete trails to be performed by a contractor and allow the District to use its resources to plant trees for the area in the Spring. The Old Ranch Evergreen Landscaping Company, Roberto Diaz, provided a bid in the amount of \$9,770 for the concrete work and has been recommended as the contractor for the work. Upon motion by Director Schumer, second by Director Brown, and unanimous vote, the Board approved the bid as recommended.

There was additional discussion regarding the benefits and disadvantages of using existing District resources, including the cost savings to the District related to the District's labor costs.

- Other:

Homeowner Derek Savage inquired about the District's proposed budgeted mill levy and its impact on the community.

Discussion Items / New Business:

- 4790 Flanders SDC

The Board discussed Denver Water's invoice for the District's payment of system development fees for the property located at 4790 Flanders. It was noted that the property is owned by City of Denver, but is maintained by the District pursuant to an intergovernmental agreement. The District has been under contract with Denver for this area for several years; the Board did

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not appropriate funds in its 2010 budget for this expenditure. The Board indicated that the property may need to be converted to xeriscape in lieu of payment of the SDC. After further discussion, the Board directed that Mr. Pimental seek an extension for payment of the SDC to 2011, and that the Board use this time to consider its options regarding the invoice.

- Other

Director Brown requested the Board revisit the issue involving the purchase of property for park and athletic facilities for the District. The determination not to proceed was made in August following the receipt of a community-wide survey prepared by the District. Director Brown was absent from the meeting and did not understand the Board's decision. The Board then held significant discussion as to issues related to the property purchase, the survey, and the District's future plans. The Board discussed the issues related to proactive as opposed to reactive actions in relation to opportunities which may arise.

The Board discussed a need to have a "vision" for GVR and the District. Each Board member was asked to come up with a proposed vision for the District to be shared with the Planning Committee and for further Board discussion.

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 10:35 p.m.

Secretary for the Meeting

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