

MINUTES OF A JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

MURPHY CREEK METROPOLITAN DISTRICT NOS.
1, 2, 3 AND 4

Held: Wednesday, June 16, 2010 at 3:00 p.m., at 23801
East Florida Avenue, Aurora, Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

District No. 1
Michael Sheldon
Kathleen Sheldon
Carol Bransfield

District No. 2
Michael Sheldon
Kathleen Sheldon
Carol Bransfield

District No. 3
Michael Sheldon
Kathleen Sheldon
Dennis Lyon
Kammy Tinney

District No. 4
Michael Sheldon
Kathleen Sheldon
Carol Bransfield

Also present were: Jennifer Gruber Tanaka, Esq., White, Bear & Ankele Professional Corporation, District general counsel; John Simmons, Simmons & Wheeler, District accountant; Larry Summers, District engineer; Irene Borisov, Colorado Management, District manager; Andy Carroll, District security; and Linda Deebel and Greg Burke, homeowners.

Director Qualification

The directors in attendance confirmed their qualification to serve.

Call to Order

Director Sheldon noted that a quorum of each of the Boards was present and that the directors had confirmed their qualification to serve, and, therefore, called the meeting to order. The Boards noted the absences of Messrs. Alpert and Bransfield. Upon motion, duly seconded, the Boards excused their absences.

Combined Meetings

The Districts are meeting in a combined Board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Murphy Creek Metropolitan District No. 1 (“District 1”) with concurrence by Murphy Creek Metropolitan District Nos. 2, 3 and 4 (“District 2,” “District 3” and “District 4”, respectively).

Disclosure Matters

Ms. Tanaka advised the Boards that, pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The agenda for the meeting was reviewed following which each director confirmed that nothing appeared on the agenda for which disclosures had not been filed. The disclosures were reviewed by the directors and were ordered to be made part of the official minutes of the meeting.

The Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Agenda

Ms. Tanaka presented the Boards with the agenda for the meeting. Upon motion, duly seconded, the Boards unanimously approved the agenda, as presented.

Public Comment

Sidewalk Along DeGaulle Way

Ms. Deebel inquired into the status of the construction of the remainder of the sidewalk along DeGaulle Way to Flat Rock. Mr. Summers reported that the remainder of the area will not be completed until the adjoining property owner builds the area out at which point the City will require the installation of the remaining portions. Mr. Lyon noted that he believes the small section along DeGaulle Way is owned by the City. He will confirm this belief and reply to Ms. Deebel.

Community Garden

Ms. Deebel noted that there are small common areas that would be ideal for a community garden and inquired whether this is a possibility. She indicated she would be willing to oversee the maintenance of the garden. The Board directed legal counsel to research the pros and cons of a community garden and prepare a memorandum to this effect for discussion at the next meeting.

Dead Trees Mr. Burke noted many dead trees within the District and inquired into when they will be replaced. Mr. Summers noted that the replacement plan has been put on hold for this year due to budgetary concerns but he hopes to revitalize the project in 2011.

Approval of Minutes Ms. Tanaka presented the minutes of the April 21, 2010 joint regular meeting for approval by the Boards. Upon motion of Mr. Lyon, seconded by Ms. Sheldon, the Boards unanimously approved the minutes, as present, and ratified all actions taken at the April 21, 2010 regular joint meeting.

Financial Matters

Payment of Claims Mr. Simmons presented claims in the amount of \$7,007.48 for the Boards' consideration. Upon motion of Ms. Sheldon, seconded by Ms. Bransfield, the Boards unanimously approved the claims.

Financial Statements There were no financial statements presented for acceptance.

2009 Audits (District Nos. 1 and 3) Mr. Simmons presented the draft 2009 audits for District Nos. 1 and 3 to the Boards and reviewed the audits with them. After review and discussion the following motions were made:

District No. 1: Upon motion of Mr. Sheldon, seconded by Ms. Bransfield, the Board unanimously accepted the 2009 audit.

District No. 3: Upon motion of Ms. Sheldon, seconded by Mr. Lyon, the Board unanimously accepted the 2009 audit.

Legal Matters None.

District Manager Report

Operations Payables Ms. Borisov presented the Boards with the operations payables for May and the first portion of June in the amount of \$53,079.79. Upon motion of Mr. Lyon, seconded by Mr. Sheldon, the Boards unanimously approved the payables as presented.

Replacement of Trees in Parkways Area Ms. Borisov reported that the area where the trees is located is owned half by the sub-association for the area and half by the District. She noted that the sub-association

is in the process of replacing the trees on its portion and there are only approximately 2-3 trees on the District property in this area. Ms. Borisov suggested that the sub-association may be willing to include the replacement of the Districts' trees in its replacement program. If not, she will bring a proposal for the replacement to the September meeting for the Boards' consideration.

Replacement of Cell Phone for Community Member

Ms. Borisov presented the Boards with a request from a homeowner for the replacement of his cell phone. The homeowner indicated that he intervened in life-saving measures for a patron of the pool and, in the process, his cell phone was damaged. The Boards noted that the replacement of the phone by the Districts is not appropriate and recommended that the homeowner seek compensation from the parents of the child or the pool maintenance company.

Lifeguard Matters

Ms. Borisov reported that several homeowners and the pool contractor have expressed concern that there is not sufficient lifeguard coverage at the pool for the pool and to check in residents as they enter the area. As a result, this has presented many access issues and concerns. Ms. Borisov presented the Boards with a proposal from the pool contractor for the addition of a lifeguard for weekends and holidays through the end of July in the amount of \$1,200. Upon motion of Mr. Lyon, seconded by Ms. Tinney, the Boards unanimously approved the addition of the lifeguard in an amount not-to-exceed \$1,200.

Security Update

Amenity Access Concerns

Mr. Carroll noted his concern with access to the Districts' amenities and noted it is becoming a security concern. Mr. Carroll presented the Boards with an option to purchase a card access system that would allow better control features and suggested a method to pay for the system would be to charge residents a fee for the card itself. The Boards discussed the pros and cons of charging homeowners an additional fee to use the amenities. The Boards directed Mr. Carroll and Ms. Borisov to review various security and access system and funding sources and present the Boards with options at the September meeting.

Construction Update

Construction of Harvest Mile Road The Boards discussed the need to construct Harvest Mile Road and noted that District Nos. 1 and 3 have construction funds sufficient for this project. Mr. Summers estimated that the costs for the project would be \$1.1 Million. This would construct the westerly two lanes of Harvest Mile Road. Mr. Summers noted that the easterly two lanes are the responsibility of the Eastern Hills developer. After discussion, the Boards determined that the construction is desired and directed Mr. Summers to prepare a design package and seek City approval at which point the Boards will meet to give direction to place the project out to public bid.


Sump Pump Matters Within
Parkways Area Mr. Summers and Ms. Borisov reported that they have received complaints from homeowners that people are draining their sump pumps into the alley. Mr. Summers reported that the alley was designed specifically to carry this water and the issue is that if there is a low volume of water, there is not enough force to push the water to the drainage system. The Boards noted that the concerns are aesthetic concerns and not construction or design concerns. Mr. Summers recommended that no changes be made to the system. The Boards concurred.

Other Business None.

Next Meeting The next meeting will be held on September 15, 2010 at 3:00 P.M.

Adjournment There being no further business to be conducted, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes for the above-referenced meeting



Secretary for the Meeting

The foregoing minutes were approved on the 15th day of September 2010.