

MINUTES OF A JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

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

Held: Wednesday, September 15, 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
Charles Bransfield

District No. 2

Michael Sheldon
Kathleen Sheldon
Carol Bransfield
Charles Bransfield

District No. 3

Michael Sheldon
Kathleen Sheldon
Dennis Lyon
Kammy Tinney
Charles Bransfield

District No. 4

Michael Sheldon
Kathleen Sheldon
Carol Bransfield
Charles Bransfield

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

Director Qualification

The directors in attendance confirmed their qualification to serve.

Call to Order

Mr. 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 Mr. Alpert. Upon motion, duly seconded, the Boards excused Mr. Alpert's absence.

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 District is not responsible for that portion of the sidewalk but indicated that Richmond Homes is responsible for this pursuant to the plat.

Community Garden

Ms. Deebel inquired into the status of the Boards' determination of constructing and installing a community garden. Ms. Tanaka reviewed with the Boards the memorandum provided by her firm regarding community gardens and recommendations for the same. The Board discussed the community interest and whether there are enough people interested in participating to make it worth the cost. The Boards directed Ms. Borisov to seek feedback from community members through the newsletter. The Boards discussed the location and size of the garden and directed Mr. Summers to identify three potential areas that are viable for a garden for the Boards to review. The areas should have water available and be able

to be fenced and be easily accessible to gardeners. The Boards also discussed a fee to charge users of the gardens. The Boards directed Mr. Summers to provide a cost for fencing as well. The Boards will discuss the matter at the next meeting and will designate \$3,000 in the budget for 2011 for costs associated with the garden.

Approval of Minutes

Ms. Tanaka presented the minutes of the June 16, 2010 joint regular meeting for approval by the Boards. Upon motion of Ms. Sheldon, seconded by Mr. Lyon, the Boards unanimously approved the minutes, as presented, and ratified all actions taken at the June 16, 2010 regular joint meeting.

Financial Matters

Payment of Claims

Ms. Wheeler presented claims in the amount of \$9,595.49 for the Boards' consideration. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the claims.

Financial Statements

Ms. Wheeler presented the Boards with the financial statements as of June 2010 for consideration. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously accepted the financial statements as presented.

Public Hearing Date for 2011 Budgets

Ms. Tanaka reported the need to set the public hearing date for the 2011 budgets. Upon motion of Mr. Lyon, seconded by Ms. Sheldon, the Boards unanimously set the public hearing date for the 2011 budgets on November 10, 2010 at 3:00 P.M.

Legal Matters

Community Garden

The Boards discussed this matter under Public Comment, above.

District Manager Report

Operations Payables

Ms. Borisov presented the Boards with the operations payables for June 15 through September 30, 2010 in the amount of \$218,167.88. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the payables as presented. The Boards requested that Mr. Summers review the operations payables prior to each meeting and provide a recommendation on the same.

2011 Landscape Maintenance Agreement with Keesen Enterprises

Ms. Borisov presented the Boards with a proposal from Keesen Enterprises for landscape maintenance for 2011. Ms. Borisov noted that there is no fee increase from the current year. Mr. Summers reported that he is extremely pleased with the services received and would recommend that Keesen be engaged for 2011. Upon motion of Mr. Sheldon, seconded by Ms. Sheldon, the Boards unanimously approved the engagement of Keesen Enterprises for 2011 landscape maintenance services.

2010-2011 Winter Season Snow Removal Agreement with Colorado Snow & Ice Management

Ms. Borisov presented the Boards with a proposal from Colorado Snow & Ice Management, a related entity of Keesen Enterprises, for snow removal services for the 2010-2011 winter season. Ms. Borisov noted that there is no fee increase from the current year. Mr. Summers reported that he is extremely pleased with the services received and would recommend that Colorado Snow & Ice Management be engaged for 2011. Upon motion of Mr. Sheldon, seconded by Ms. Sheldon, the Boards unanimously approved the engagement of Colorado Snow & Ice Management for snow removal services for the 2010-2011 winter season.

Towing of Vehicles in Alleyways within the Parkways

Ms. Borisov reported that the Districts maintain the alleyways within the Parkways, a sub-association within the Districts, and noted that people park their cars within the alleyways and do not move them which blocks traffic for the entire alleyway. Ms. Borisov recommended that the Boards adopt a parking policy which allows the Districts to tow such vehicles. Ms. Borisov noted that the areas would be posted with towing information. The Boards requested that Ms. Borisov provide homeowners within the Districts with notice of the new upcoming policy and requested that she obtain proposals for the signs. The Boards will consider the policy at the November meeting.

Winter Watering of Trees by HSI

Ms. Borisov reported that HSI will provide winter watering for the District's trees and shrubs this month and will do this again in November which should be sufficient for the year. Ms. Borisov noted that the total cost of the winter watering is \$2,100 each application, which is within the Districts' budget. Upon motion, duly seconded, the Boards unanimously approved the winter watering.

Replacement of Trees in the Parkways Area

The Boards deferred discussion on this matter to the next meeting.

Amenities Access and Security Options

Ms. Borisov reported that she obtained three bids for access and security options of the Districts. Ms. Borisov is currently clarifying these options and pairing them down. Currently it is estimated that the new system will cost between \$25,000 and \$28,000. Ms. Borisov will continue to review the options and will present a recommendation to the Boards at the November meeting.

Sidewalk Completion on Flat Rock

This matter was discussed under Community Comments, above.

Banners at Entrance Points

Ms. Borisov and Mr. Lyon discussed the possibility of adding banners or entrance signs advising homeowners of upcoming meetings and community events. Mr. Lyon noted that he is looking at nice options and anticipates the costs will be approximately \$4,000 per sign. The Boards discussed various options for the signage as well as other avenues to advise residents and homeowners of upcoming events. The Boards directed that \$4,000 be added to the 2011 budget and will discuss the item at a future meeting.

Security Update

None.

Construction Update

Construction of Harvest Mile Road

Mr. Summers reported that the design work for the construction of Harvest Mile Road has been completed and submitted to the City for approval. He anticipates receiving City approval within the next week. The Boards directed Mr. Summers to publicly bid the project for award. Upon motion of Mr. Bransfield, seconded by Ms. Bransfield, the Boards unanimously directed Mr. Summers to bid the construction contract and for Mr. Sheldon and Mr. Summers to award the contract to the lowest responsive, responsible bidder.

Other Business

None.

Next Meeting

The next joint regular meeting will be held on November 10, 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

A handwritten signature in cursive script, reading "Kathleen Sheldon", written over a horizontal line.

Secretary for the Meeting

The foregoing minutes were approved on the 10th day of
November 2010.