

MINUTES OF A JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

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

Held: Wednesday, November 10, 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
Rodney Alpert

District No. 2

Michael Sheldon
Kathleen Sheldon
Carol Bransfield
Charles Bransfield
Rodney Alpert

District No. 3

Michael Sheldon
Kathleen Sheldon
Dennis Lyon
Kammy Tinney
Charles Bransfield

District No. 4

Michael Sheldon
Kathleen Sheldon
Carol Bransfield
Charles Bransfield
Rodney Alpert

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

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.

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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

None.

Approval of Minutes

Ms. Tanaka presented the minutes of the September 15, 2010 joint regular meeting for approval by the Boards. Upon motion of Mr. Lyon, seconded by Mr. Alpert, the Boards unanimously approved the minutes, as presented, and ratified all actions taken at the September 15, 2010 regular joint meeting.

Financial Matters

Payment of Claims

Mr. Simmons presented claims in the amount of \$7,939.99 for the Boards' consideration. Upon motion of Mr. Alpert, seconded by Ms. Sheldon, the Boards unanimously approved the claims as presented.

Financial Statements

Mr. Simmons presented the Boards with the financial statements as of September 30, 2010 for consideration. Upon motion of Mr. Bransfield, seconded by Ms. Sheldon, the Boards unanimously accepted the financial statements as presented.

Public Hearings on 2011 Budgets
District Nos. 1, 2 and 4

Mr. Sheldon opened the public hearings for the 2011 budgets for District Nos. 1, 2 and 4. Ms. Tanaka reported that the notices of the public hearings were published in accordance with Colorado law. Mr. Simmons presented the Boards with the budgets for the 2011 fiscal year. There being no public comments, Mr. Sheldon closed the public hearings on the Districts' 2011 budgets.

The Boards considered the 2011 budget resolutions. After further review, a motion was made by Ms. Sheldon, and seconded by Mr. Bransfield, to approve the budgets, appropriate funds therefor, certify the mill levies, and to approve the execution of the budget resolutions for District Nos. 1, 2 and 4. The motion was approved unanimously.

District No. 3

Mr. Sheldon opened the public hearing for the 2011 budget for District No. 3. Ms. Tanaka reported that the notice of the public hearing was published in accordance with Colorado law. Mr. Simmons presented the Board with the budget for the 2011 fiscal year. There being no public comments, Mr. Sheldon closed the public hearing on the District's 2011 budget.

The Board considered the 2011 budget resolution. After further review, a motion was made by Mr. Lyon, and seconded by Ms. Tinney, to approve the budget, appropriate funds therefor, certify the mill levy, and to approve the execution of the budget resolution for District No. 3. The motion was approved unanimously.

Joint Resolution Regarding 2010
Audit Exemptions (District Nos. 2
and 4)

Ms. Tanaka presented the Boards of District Nos. 2 and 4 with a joint resolution regarding audit exemption for the 2010 fiscal year. Upon motion of Mr. Sheldon, seconded by Mr. Alpert, the Boards unanimously adopted the resolution.

Engagement of Auditor for 2010
Audits (District Nos. 1 and 3)

Mr. Simmons presented the Boards with proposals from L. Paul Goedecke, P.C. for conducting the 2010 audits for District Nos. 1 and 3 at the rate of \$3,500 per District. Upon motion of Ms. Tinney, seconded by Mr. Alpert, the Boards of District Nos. 1 and 3 unanimously approved the engagement of L. Paul Goedecke, P.C. to perform the 2010 audits.

Legal Matters

2011 Joint Annual Administrative Matters Resolution

Ms. Tanaka presented the Boards with the 2011 Joint Annual Administrative Matters resolution noting that the resolution sets forth all compliance requirements for 2011. Upon motion of Mr. Alpert, seconded by Mr. Bransfield, the Boards unanimously adopted the joint resolution.

Renewal of Insurance

Ms. Tanaka presented the Boards with the renewal of the Districts' insurance through the SDA Property and Liability Pool. Upon motion of Mr. Bransfield, seconded by Mr. Sheldon, the Boards unanimously approved the insurance and directed legal counsel to bind the insurance for each District.

Waiver of Workers' Compensation Insurance

Ms. Tanaka noted that, because the directors do not receive compensation for their service on the Boards, the Districts are not required to provide workers' compensation coverage for the directors. Upon motion of Mr. Alpert, seconded by Ms. Sheldon, the Boards unanimously waived workers' compensation coverage and directed legal counsel to file the appropriate documentation with the Division.

§32-1-809, C.R.S. Disclosure Notices

Ms. Tanaka presented the Boards with the disclosure notices required by SB 09-87, now codified as § 32-1-809, C.R.S. Upon motion of Ms. Sheldon, seconded by Ms. Bransfield, the Boards unanimously approved the notices and directed that each be posted on the SDA website.

Renewal of Consultant Agreements for 2011 Services

Ms. Tanaka noted that there are many service contracts up for renewal for 2011.

Front Range Recreation, Inc.
for Pool Management Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of Front Range Recreation, Inc. for Pool Management Services.

@ Yur Service, LLC for
Handyman Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of @ Yur Service, LLC for Handyman Services.

Rita Borovik for Clubhouse
Cleaning Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of Rita Borovik for Clubhouse Cleaning Services.

Metropolitan District Public Safety Group, LLC for Security Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of Metropolitan District Public Safety Group, LLC for Security Services.

Colorado Management and Associates, Inc. for District Management Services

The Boards noted a desire to renegotiate the fees charged by Colorado Management for its management services. The Boards directed Mr. Sheldon to negotiate a new fee schedule with Colorado Management and present the contract at the next meeting for the Boards' consideration.

Horticultural Specialists, Inc. for Mosquito Control Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of Horticultural Specialists, Inc. for Mosquito Control Services.

Summers and Associates, LLC for Construction Management Services

Upon motion of Ms. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the engagement of Summers and Associates, LLC for Construction Management Services.

District Manager Report
Operations Payables

Ms. Borisov presented the Boards with the operations payables for September 15, 2010 through October 31, 2010 in the amount of \$105,242.85. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the payables as presented.

Community Garden Areas and Options

Ms. Borisov reported that she placed an article in the newsletter and on the community website asking for feedback on those interested in participating in a community garden. Ms. Borisov noted that she received only four responses. Ms. Borisov will put another article in the next newsletter to see if any other interest is expressed. The Boards noted that there appears to be a general lack of interest in participating in the garden and unless more interest is expressed, the Boards will not move forward.

Parking Policy and Towing of Vehicles in Alleyways within the Parkways

Ms. Borisov reported that the District's current policy needs to be amended to allow the District to tow cars in the alleyways within the Parkways. Ms. Borisov will research the cost of towing signs and Ms. Borisov, Ms. Tanaka and Mr. Carroll will work together to draft the policy for the Boards' consideration.

Replacement of Trees in Parkways Area The Boards determined to table this matter until the spring.

Amenities Access and Security Options Ms. Borisov presented the Boards with three bids that she obtained for the access and security options. Ms. Borisov noted that the 2011 budget includes a line item for this system for \$28,000. Ms. Borisov and Mr. Carroll reviewed the proposals with the Boards and recommended Key-Rite whose bid was \$27,496.71. Upon motion of Mr. Sheldon, seconded by Ms. Tinney, the Boards unanimously approved the proposal from Key-Right for the security system.

The Boards discussed a fee to homeowners for the cards as well as a fee for the replacement of lost or stolen cards. The Boards directed Ms. Borisov to develop a process for getting the cards with specific dates and times for homeowners to get them on site and if they do not pick them up during that time require them to go to Colorado Management's offices to obtain the cards.

Banners at Entrance Points Mr. Lyon and Ms. Borisov reported that they are working together on ideas for the message boards and looked at various options. The Boards discussed the various options and suggested that Ms. Borisov look at Dodge Signs and obtain a bid from them. Mr. Bransfield inquired into who controls the content of the signs. Ms. Borisov noted she would be in control as the manager. Ms. Tinney inquired into why the HOA was not doing the signs and asked whether the signs are sufficient. The Boards determined to review the various bids obtained at the next meeting and to make a decision at that time.

Purchase of Pool Furniture Ms. Borisov noted there is a need to purchase new pool furniture due to wear and tear and age of the existing furniture. Ms. Borisov obtained a bid for \$4,018.47 for the replacements. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the purchase.

Pool Report and Pool Repairs for 2011 Season Ms. Borisov presented the Boards with a report from the pool maintenance manager regarding necessary repairs to the tiles in the pool. The proposal is for \$400. Upon motion of Mr. Sheldon, seconded by Mr. Bransfield, the Boards unanimously approved the pool repairs.

Sidewalk along Flat Rock

Ms. Borisov reported that she is receiving a lot of emails asking about the status of this sidewalk. The Boards noted that the bids obtained for this work are much higher than anticipated and, therefore, the Districts will not be able to do these projects at this time.

Security Update

Mr. Carroll reported that the area is doing well. There is a prowler issue and a few thefts and Mr. Carroll is monitoring these situations.

Construction Update

Award of Construction Contract for Harvest Mile Road and Adoption of Resolution Regarding Award of Same (District Nos. 1 & 3)

Mr. Summers discussed the process used for obtaining bids and his review of the bids received. There were a total of 10 bidders who requested bid packages, 7 of which submitted bids for the project. The lowest combined bid received was \$1,195,000. Because the combined bid was higher than anticipated, Mr. Summers received each bid separately for the various services. In doing so, the lowest bids total \$1,112,000, which is \$83,000 lower than the total combined bid. Mr. Summers noted that he believes these prices are reasonable and competitive. Mr. Summers reported that the design meets all of the City's requirements. The Boards noted that while most of these funds are available in the capital projects fund for District No. 3, the Developer will need to advance the remaining funds to the District to cover all of the construction costs. Upon motion of Mr. Alpert, seconded by Ms. Sheldon, the Boards unanimously approved the award of the construction contracts. Upon motion of Mr. Alpert, seconded by Mr. Bransfield, the Boards unanimously adopted the resolution regarding the award of the contract.

Other Business

None.

Next Meeting

The next joint regular meeting will be held on February 16, 2011 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 16th day of February
2011.