

Cordillera Valley Club Property Owners Association & Cordillera Valley Club Metropolitan District

M E M O R A N D U M

TO: Executive Board of Cordillera Valley Club Property Owners Assoc.
Board of Directors of Cordillera Valley Club Metropolitan District
FROM: Cheri Curtis
DATE: December 15, 2010

This memorandum shall serve as Notice of the Special Joint Meeting of the Executive Board of Cordillera Valley Club Property Owners Association and the Board of Directors of Cordillera Valley Club Metropolitan District, which will be held:

**December 21, 2010
8:30 a.m.
9 Iron Grill
0101 Legends Drive
Edwards, Eagle County, Colorado**

The agenda for the meeting is attached. If you will be unable to attend this meeting, or will be attending the meeting by phone, please let me know as soon as possible. The conference call dial-in number is 888-909-7654 and the conference code is 647223.

Distribution:

<u>CVCMD</u>	<u>Term</u>	<u>Officer Position</u>	<u>Committee Assignment</u>
Rick Pirog	05/12	President	
Jay Morten	05/14	Secretary/Treasurer	Real Property
Barry Gassman*	05/12	VP/Asst. Secretary	
John O'Brien	05/14	VP/Asst. Secretary	Safety & Operations
Emilie Egan	05/12	VP/Asst. Secretary	Finance & Administration

<u>CVCPOA</u>	<u>Term</u>	<u>Officer Position</u>	<u>Committee Assignment</u>
Wally Carey	07/11	President	
Tom Marcin	07/12	VP/Asst. Secretary	Safety & Operations
Tim Benedickt	07/12	Director	DRB
Art Greenfeder	07/11	Director	Finance & Administration
Bob Engleby	07/11	Director	

Other Participants

Matt Dalton, Esq.
Greg Perkins, Esq.
Ken Marchetti, CPA
Rick Adams/Todd DeJong
Dan Carlson

*Barry Gassman was appointed in October 2010 until the May 2012 election, for the four-year term that ends in 2014.

**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT
CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION
Meetings**

NOTICE IS HERBY GIVEN that the meetings of the Board of Directors of Cordillera Valley Club Metropolitan District and the Executive Board of Cordillera Valley Club Property Owners Association will be held at the 9 Iron Grill, 0101 Legends Drive, Edwards, Eagle County Colorado on Tuesday, December 21, 2010 beginning at 8:30 a.m., local time, for the following purposes and other matters that may come before the Boards.

**Agenda
December 21, 2010**

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| 1) Call to Order/Declaration of Quorum/Director Qualifications | 8:30 |
| 2) Consideration of Agenda | 8:35 |
| 3) Upcoming Meeting Dates | 8:40 |

POA

- | | |
|--|------|
| 1) Minutes | 8:45 |
| a) CVCPOA Regular Meeting – November 16, 2010 | |
| 2) DRB and Covenant Enforcement (Ted Leach & Art Greenfeder) | 8:50 |
| a) DRB Proposals/Selection Committee | |
| b) Suspension of Service | |
| c) DRB Update | |

Joint

- | | |
|--|-------|
| 1) Projects | 9:20 |
| a) Berm Project Update | |
| i) Agreement with Club for Easement, Water and Maintenance | |
| ii) County PUD Process Update | |
| iii) Next Steps | |
| b) West Gate Project | |
| c) Other Capital Projects | |
| 2) Public Safety Report | 9:50 |
| a) Security Contract | |
| 3) Operations Report | 10:05 |

POA (Continued)

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|---|-------|
| 3) Financial Report | 10:20 |
| a) Financial Report | |
| b) CCAI and CTC Payments | |
| c) Accounts Payable | |
| 4) Other Business | 10:30 |
| a) Annual Meeting Preparation | |
| b) Cordillera Vision Statements | |
| 5) Reports – (No Action) | 10:40 |
| a) Other Financial Reports (Information Only) | |
| i) Monthly RETA Report | |
| b) Real Estate Report | |

Metro

- | | |
|---|-------|
| 1) Minutes | 10:45 |
| a) CVCMD Regular Meeting –November 16, 2010 | |
| 2) Financial Report | 10:50 |
| a) 2010 Audit Engagement Letter | |
| b) Financial Report | |
| c) Accounts Payable | |
| 3) Legal Matters | 11:05 |
| a) Conflict of Interest Resolution | |
| b) Executive Session (If Necessary) | |
| 4) Adjournment | 11:30 |

CORDILLERA VALLEY CLUB
PROPERTY OWNERS ASSOCIATION AND METRO DISTRICT
2011 Meeting Schedule

The Regular Meetings will be held on the 3rd Tuesday of every month at the 9 Iron Grill, Cordillera Valley Club,
0101 Legends Drive, Edwards, CO at 8:30 a.m. unless otherwise notified

Month	Meeting	Date
December	POA December Member Meeting (9:00 a.m.)	December 28, 2010
January	Regular Meeting (3rd Tuesday)	January 18, 2011
February	Regular Meeting (3rd Tuesday)	February 15, 2011
March	Regular Meeting (3rd Tuesday)	March 15, 2011
April	Regular Meeting (3rd Tuesday)	April 19, 2011
May	Regular Meeting (3rd Tuesday)	May 17, 2011
June	Regular Meeting (3rd Tuesday)	June 21, 2011
July	POA July Member Meeting (9:00 a.m.)	July 5, 2011
July	Regular Meeting (3rd Tuesday)	July 19, 2011
August	Regular Meeting (3rd Tuesday)	August 16, 2011
September	Regular Meeting (3rd Tuesday)	September 20, 2011
October	Regular Meeting (3rd Tuesday)	October 18, 2011
November	Regular Meeting (3rd Tuesday)	November 15, 2011
December	Regular Meeting (3rd Tuesday)	December 20, 2011
December	POA December Member Meeting (9:00 a.m.)	December 27, 2011

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Indicates Holiday

Indicates Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Cordillera Valley Club Property Owners Association November 16, 2010

The Meeting of the Board of Directors of the Cordillera Valley Club Property Owners Association, Eagle County, Colorado, was held November 16, 2010 at 8:30 a.m., at the 9 Iron Grill at 0101 Legends Drive, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado. The Board met in joint session with the members of the Board of the Cordillera Valley Club Metropolitan District.

Attendance

The following Directors were present and acting:

- Bob Engleby
- Tim Benedickt
- Wally Carey
- Art Greenfeder (Telephone during part of meeting)

The following Directors were absent and excused:

- Tom Marcin

Also in attendance were:

- Cordillera Valley Club Metropolitan District
Rick Pirog, Barry Gassman, Jay Morten , Emilie Egan &
John O'Brien (By Telephone)
- Robertson & Marchetti, P.C.
Ken Marchetti & Cheri Curtis
- CMD
Alison Perry
- Others
Bob Vanourek, (CTC)
Sarah Baker
Bart Barnett
Paul & Tanya Kessenich
Trygve Hutto
Brian Judge
Frank Navarro (Telephone)

Call to Order

The Meeting of the Board of Directors of Cordillera Valley Club Property Owners Association was called to order by Mr. Carey, noting a quorum was present.

Potential Conflicts Of Interest

Mr. Marcin reported that he is the principal owner of Marcin Engineering LLC which provides engineering services to Cordillera Valley Club

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CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION November 16, 2010 Meeting Minutes

Metropolitan District and/or Cordillera Valley Club Property Owners Association. The Board noted that Mr. Marcin may participate in discussions related to services his firm may provide to CVC and may vote in such matters, in compliance with his duties to the Association. The Board noted, for the record, that this disclosure is being made at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

Conference Call The log of public participation in the meeting for those participating in person and by phone is as follows:

Public Participation Log

Meeting Date	In Person	By Phone
01/14/10	0	0
02/18/10	0	0
03/16/10	2	0
04/20/10	0	0
05/11/10	0	0
06/15/10	0	0
07/20/10	0	0
08/17/10	0	0
09/21/10	0	0
10/19/10	25	3
11/16/10	6	1

Cordillera Transition Corporation

Bob Vanourek reported the Cordillera Transition Corporation Board has been increased to nine members with the addition of Sarah Baker, David Bentley & Dick Rothkopf. The Board's goal is to act in accordance with all the stakeholders' desires. Ms. Baker brings the perspective of a CVC resident and someone that does not belong to the Club at Cordillera.

The CTC is attempting to secure a line of credit with Wells Fargo, the only bank possibly interested in extending credit. The Cordillera Property Owners Association will be assessing a \$500 assessment per property to fund the operations of the CTC. A \$25,000 retainer has been paid to legal counsel and \$15,000 for Directors and Officers insurance. \$25,000 is still

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due to the law firm of Holmes Roberts & Owens. A forensic auditor will also be hired. Ms. Baker is creating a website with all the CTC information. The CTC is anticipating needing \$100,000 for 2010 expenses and expects to take out a short term loan in the name of the CTC. The CPOA is contributing funds with after-payment approval of payables monthly.

The main current issue for the CTC is the Dues Escrow Agreement. The Confidentiality Agreement was completed last week which will now allow CTC's agents to review the Club's financial records. CTC's agents are trying to determine if past expenses were allowable and where the member's dues were spent. Walter Copeland is meeting with EKS&H, a Denver accounting firm, in this regard. The CTC is working on an escrow agreement where the 2011 dues will be held in escrow and where funds will only be released from escrow upon review by an independent auditor to ensure they are being used for approved purposes. A suggestion has been made that a dual escrow account structure be considered.

Mr. Barnett questioned how the Wilhelms are responding to the demands of the CTC. Mr. Vanourek reported the Wilhelms recognize the CTC goal is to work for the good of everyone involved. The Club needs its members to pay their 2011 dues to continue operating and they also need the trust of the community so working with the CTC could accomplish those goals.

Mr. Carey questioned the plan if the Wilhelms decide to not cooperate with the CTC. Mr. Vanourek stated the CTC is looking comprehensively at all options. However, the CTC is willing to allow private partners to negotiate if they would like to.

One of the CTC's goals is to make the Club financially viable. The Club and golf are only part of the focus. The other amenities in addition to golf are also being considered. Property values is another big factor as well as the possible effects on non-property owners who are Club Members. Public participation is encouraged in an effort to develop solutions.

Mr. Carey questioned the worst case scenario. Mr. Vanourek indicated the CTC is looking at other options as well.

Marketing

Alison Perry reported the Marketing team's goal for 2011 is to reduce expenses. A silent sales presentation will be created in the Lodge at the

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Cordillera Welcome Center, hoping to convert guests to possible clients. CMD will make presentations at shows that cater to prospective second and retirement homeowners. The Marketing team is also working with brokers to bring in leads and is working with the golfing community to attract executives. An Avid Golfers program is being developed for attendance at large events. A smaller community map of all four communities is needed that can be distributed to prospective clients. Community events are planned every week during the summer months.

The internet marketing needs improvement. The advertising has been reduced since leads were not being produced.

Agenda

The agenda was approved as presented.

Upcoming Meetings

There were no changes to the meeting schedule.

Public Input

There was no public input.

Minutes

The Board reviewed the meeting minutes of the October 19, 2010 meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting minutes of the October 19, 2010 meeting as revised.

The Board reviewed the minutes of the October 26, 2010 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting minutes of the October 26, 2010 Special Meeting as revised.

November Election

Mr. Marchetti reported the District's election questions passed on November 2, 2010 and a one property, one vote election is required. The election will be conducted when it is determined the funds might be necessary.

Public Safety

Mr. DeJong distributed information on Lone Star Security and Safety Services, explaining the changes in the company over the last two years. The company plans to continue to grow and Lone Star's training requirements are being increased, which will benefit CVC.

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Mr. DeJong reported all staff are trained as First Responders. New procedures have been put in place to allow Lone Star Security personnel to be the first responder.

Mr. Carey explained the alarm process and suggested networking all individual security alarm systems with one company. Ms. Baker questioned whether property owners not using a security alarm company should pay for security services.

Mr. DeJong presented options for the west gate security and an argument for maintaining twenty-four hour security. By motion duly made and seconded it was unanimously

RESOLVED to authorize transferring \$4,500 to the Metro District for a call box and camera system for the back gate.

POA Budget

Mr. Greenfeder joined the meeting at 11:40 a.m. by telephone. Mr. Marchetti presented the preliminary 2011 budget. The Board requested the contribution of up the \$130,000 to the CTC be footnoted in the 2011 POA budget indicating that it is not authorized for expenditure without further Board approval. Upon motion duly made and seconded it was unanimously

RESOLVED to adopt the 2011 POA budget as revised.

Financial Report

Mr. Marchetti presented the October 31, 2010 financial report.

Accounts Payable

Upon motion duly made and seconded it was

RESOLVED to approve the accounts payable list as presented with the exception of the VAg invoices which should be held waiting for clarification.

DRB Service Suspension

The Board discussed the letter suspending service with VAg and the process until a DRB administrator is chosen. Mr. Judge suggested the letter include a recommendation on how to proceed during the transition period. Mr. DeJong suggested using the gate house number as the contact

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CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION November 16, 2010 Meeting Minutes

number for DRB matters during this transition period. Mr. Carey expressed his view that it was premature to send a suspension letter at this time.

Mr. Carey, Mr. Judge and Mr. Engleby left the meeting at 12:00 p.m. and with their departure a quorum was no longer present.

Barrow Lot

The Board discussed the letter from Mr. Barrow offering to convey his lot to CVC. The Board agreed it would be more appropriate for the lot to be conveyed to the Metro District and agreed to waive the 2010 unpaid assessments for the lot.

Adjournment

There being no further business to come before the Board at this time, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Cordillera Valley Club Property Owners Association Board of Directors this 16th day of November, 2010.

Respectfully submitted,

Cheri Curtis
Secretary for the meeting

SECURITY SERVICES AGREEMENT

THIS SECURITY SERVICES AGREEMENT (the "Agreement"), is made effective the 1st day of January, 2010, by and between the CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT, a metropolitan district organized under Article 1 of Title 32, C.R.S. ("District") and LONE STAR SECURITY & SAFETY SERVICES LLC, a Colorado limited liability company ("Lone Star").

RECITALS

A. The District is responsible for the management and maintenance of the road infrastructure in the project known as Cordillera Valley Club (the "Project") which is a planned community pursuant to the Declaration for Cordillera Valley Club, of record in Eagle County, Colorado, as may be amended and supplemented from time to time (the "Declaration"). Capitalized terms not defined herein shall have the meaning ascribed to such term in the Declaration.

B. The District is responsible for managing the road infrastructure in the Project and the Common Areas and desires to enter into an agreement for provision of public safety and security within the Project.

C. Lone Star is in the business of, among other things, providing professional public safety and security services and wishes to provide such services to the District according to the terms and conditions set forth herein.

D. The District has engaged the services of Lone Star pursuant to a contract dated January 1, 2010. This agreement supersedes the agreement dated January 1, 2010.

AGREEMENT

In consideration of the foregoing and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the District and Lone Star agree as follows:

1. Engagement. The District hereby engages Lone Star as an independent contractor and as the provider of public safety and security services for the Project, and Lone Star hereby accepts such engagement.

2. Term and Termination. The initial "Term" of this Agreement shall commence on January 1, 2011, and expire on December 31, 2011. Thereafter, the term of this Agreement shall automatically renew for successive one (1) year periods. The District or Lone Star may, at their option and for any reason in such party's discretion, upon at least sixty (60) days written notice to the other party, terminate and cancel all or any part of this Agreement as of the last calendar day of the month which is at least sixty (60) days from the date of such notice. Notwithstanding the automatic renewal provision above, this Agreement shall automatically terminate at the end of December 31 of any year in which the District fails to appropriate sufficient funds for payment of public safety and security services otherwise due in the subsequent calendar year. Notice required hereunder shall conform to Section 9 of this Agreement.

3. Services. Lone Star shall confer with the District in the exercise of its powers and rights and in the performance of its duties as set forth in this Agreement and pursuant to the District's governing documents, including attendance at such meetings of the District's Board of Directors ("Board") as may be requested from time to time. Lone Star hereby expressly understands, acknowledges and agrees that its appointment as the provider of public safety and security services hereunder is done with a view toward a standard of security for the Project that provides a quality of services consistent with sound security practices evident in gated communities in the Edwards, Colorado area, as well as that provides additional security measures which may not be found in other gated communities, but which the District requests be implemented. The services to be performed by Lone Star shall include without limitation the services as described below, as supplemented or detailed in the scope of services attached hereto as Exhibit A and incorporated herein by this reference.

a. Staffing and operation of the gatehouse 24 hours per day seven days a week, 365 days per year, to control access to the Cordillera Valley Club and to insure the safety of all persons and property within the boundaries of the Project, except that during the hours from 11 p.m. to 7 a.m. Lone Star shall provide four patrols of the Project and during those times the gatehouse will not be staffed but Lone Star shall monitor the gatehouse telephonically, and shall provide access only to authorized persons by way of telemetry signal. Lone Star shall provide a vehicle not more than three years old and in good condition at Lone Star's sole cost and expense to be used by Lone Star to provide the patrols of the Project.

b. Patrol all roads and neighborhoods within the Project not less than three (3) hours per day during the hours of 7:00 a.m. and 11:00 p.m. Lone Star shall keep written records of such patrols and any inspections. Lone Star shall provide a vehicle not more than three years old and in good condition at Lone Star's sole cost and expense to be used by Lone Star to provide the patrols of the Project.

c. Promptly investigate and notify the District of any crime, accident or claim for damages of which Lone Star has actual notice, relating to the ownership, operation and maintenance of the Common Areas of the Project, including any damage or destruction thereto, and cooperate with and make such reports as are required by an insurer in connection therewith.

d. Immediately respond to all alarms within the Project including without limitation alarms in private residences and shall investigate the cause, notify police and/or fire when necessary and make such reports as are requested in connection therewith.

e. In connection with providing its services hereunder, Lone Star shall provide enforcement services for all Project covenants, rules and regulations, including, without limitation, design review and construction rules and regulations and those described in the Declaration (the "Rules"). Lone Star shall ensure that its employees providing the services are familiar with the Rules. Lone Star shall take direction from the Board regarding the enforcement of the Rules.

f. Supervise any and all persons necessary to properly perform the services required of it hereunder. All such persons shall be employees of Lone Star and all compensation,

taxes and benefits which become payable to or on behalf of said employees in connection with this Agreement shall be paid by Lone Star. Lone Star shall, within ten (10) days of the Board's written notice that Board finds any Project personnel unnecessary or undesirable and the grounds therefor, respond to Board's findings and provide Board with a plan of resolution. The plan of resolution must address and satisfy the Board's objections.

g. Lone Star shall maintain businesslike relations with residents of the Project and members of the Club at Cordillera whose concerns and complaints shall be received, considered and acted upon as deemed appropriate by Lone Star. If Lone Star shall deem any complaint unreasonable, it shall advise the Board of the complaint and the reason for its opinion that the complaint is unreasonable.

4. Management Fee: As compensation for its services under this Agreement, Lone Star shall be paid in accordance with the monthly rate schedule set forth in Exhibit A attached hereto and incorporated herein by this reference, such amounts to be billed and paid monthly, for the duration of this Agreement. Nothing in this Agreement shall restrict the District from engaging the services of Lone Star for other services not covered by this agreement, the compensation for which shall be at rates upon which the parties shall mutually agree.

5. Limitation of Liability and Indemnity.

a. Except as otherwise provided in this Section 6, Lone Star shall not be liable to the District for any loss or damage not caused by Lone Star's negligent or intentional acts or omissions. The District shall defend, indemnify and save harmless Lone Star from any liability for damages, costs and expenses arising from Lone Star's performance under this Agreement or injury to any person or property in, about and in connection with the Project (including the Common Areas) from any cause whatsoever, unless such loss shall be caused by the negligent or intentional acts or omissions of Lone Star, in which event the same shall only apply to the extent that any such damages, costs and expenses are covered by insurance carried by the District.

b. Lone Star shall indemnify and save harmless the District from any liability for damages, costs and expenses arising from Lone Star's performance under this Agreement or injury to any person or property in, about and in connection with the Project (including the Common Areas) caused by the negligent or intentional acts or omissions of Lone Star.

6. Assignment. Neither party may assign its right, title and interest herein without the prior express written consent of the other party which consent the other party shall have full discretion to withhold. Furthermore, a change of more than 25% of the ownership of Lone Star shall be considered an assignment of Lone Star's interest in this contract and shall not be permitted without the prior express written consent of the District which consent the District shall have full discretion to withhold. At this time Lone Star is owned 100% by Todd DeJong.

7. Default. If either party to this Agreement fails to perform in accordance with the terms, covenants and conditions of this Agreement or is otherwise in default of any of the terms of this Agreement, after giving ten (10) days prior written notice to the other party of the alleged default, and upon said defaulting party's failure to cure the default within said 10-day period (or

within such period, if any, as may be reasonably required to cure such default if it is of such nature that it cannot be cured within such 10-day period, provided the defaulting party commences to remedy such default within such 10-day period and proceeds with reasonable diligence thereafter to cure such default), the non-defaulting party shall have the option to terminate this Agreement and pursue all remedies available at law or in equity.

8. Notices. When either party hereto desires to or is required to give notice to the other or to others, in connection with and according to the terms of this Agreement, such notice shall be in writing and shall be given to the District or Lone Star as follows:

If to the District: Cordillera Valley Club Metropolitan District
28 Second Street, Suite 213
Edwards, Colorado 81632
Attention: Board
Telecopier: (970) 926-6040

With a copy to: Matthew R. Dalton, Esq.
Grimshaw & Harring, P.C.
1700 Lincoln Street, Suite 3800
Denver, Colorado 80203
Telecopier: (303) 839-3800

If to Lone Star: Lone Star Security & Safety Services
P.O. Box 1528
Vail, Colorado 81658
Attention: Todd DeJong
Telecopier: (970) 524-5687

All notices or deliveries required under this Agreement shall be hand-delivered, given by certified mail/return receipt requested, by facsimile transmission, or by overnight courier directed to the address of District or Lone Star set forth in this Section. All notices so given shall be considered effective, if hand-delivered, when received; if delivered by facsimile transmittal, upon machine-generated confirmation of receipt; if delivered by courier, one (1) business day after timely deposit with the courier service, charges prepaid; or if mailed by certified mail/return receipt requested, three (3) days after deposit, postage prepaid, with the United States Postal Service.

9. Insurance.

a. At all times during the Term of this Agreement, Lone Star shall carry and maintain, in full force and effect, at its sole cost and expense, insurance coverage as described in Subsections i. and ii. below. Such policies shall include a provision requiring a minimum of thirty (30) days notice to the District of any change or cancellation. Lone Star agrees to provide the District with certificates of insurance evidencing such policies:

i. Comprehensive general liability insurance in an occurrence format in an amount of at least \$1,000,000 per occurrence, including the following coverages: contractual

liability, personal injury, broad form property damages, independent contractors and premises operations.

ii. Workers' Compensation insurance in accordance with the provisions of the Workers' Compensation Act of the State of Colorado for all its employees engaged in performance of the services herein described.

b. At all times during the term of this Agreement, the District shall carry and maintain, in full force and effect, at its sole cost and expense, all insurance coverages required by governing documents of the District, which insurance shall be primary to the insurance Lone Star is required to carry under Subsection 10.a.i.

10. Compliance with Law. In performing its duties, Lone Star shall take such action as may be necessary to comply with all laws, statutes, ordinances, rules and regulations of all appropriate governmental authorities including but not limited to the Colorado Common Interest Ownership Act.

11. Miscellaneous.

a. No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

b. Time is of the essence with respect to the performance of each of the covenants and agreements herein set forth.

c. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value, unless in writing, signed by both parties to this Agreement.

d. The invalidity in whole or in part of any covenant, promise or undertaking or any section, subsection, sentence, clause, phrase or word or of any provision of this Agreement and the Declaration shall not affect the validity of the remaining portions thereof.

e. Capitalized terms, words or phrases used but not defined herein shall have the meaning ascribed to such term, word or phrase in the Declaration and unless the context otherwise requires, said definitions shall prevail.

f. The words "owner" and "member" wherever and whenever used herein, shall include the singular and plural thereof, and the use of any gender shall include all genders, wherever the same shall be appropriate.

g. The caption of each Section is added as a matter of convenience only and shall be considered of no effect in the construction of any provision of this Agreement.

h. Should arbitration or litigation occur between the parties relating to the terms, covenants and conditions of this Agreement, all arbitration and/or litigation expenses, collection expenses, witness fees, court costs and attorneys' fees incurred by the prevailing party shall be paid

by the non-prevailing party to the prevailing party and shall be awarded by the judge or arbitrator (as appropriate) to the prevailing party as part of its award in the proceeding.

i. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado.

j. This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, proposals, negotiations and representations pertaining to the services to be performed hereunder.

k. The parties and their respective counsel, if any, have reviewed this Agreement in its entirety and acknowledge that each has had a full opportunity to negotiate the Agreement's terms. Therefore, the parties expressly waive any and all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the Agreement's drafter, and agree and affirm that the Agreement and all provisions thereof shall in all cases be construed as a whole, according to the fair meaning of the language used.

The parties hereto have executed this Agreement to be effective as of the date first written above.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT, a metropolitan district organized under Article 1 of Title 32, C.R.S.

By: _____
President

ATTEST:

By: _____
Secretary

LONE STAR SECURITY & SAFETY SERVICES LLC, a Colorado limited liability company

By: _____
Manager

Exhibit A

Lone Star Security 2011 Contract

Total Contract \$376,626

<u>Date</u>	<u>Amount</u>
January-10	\$31,385.50
February-10	\$31,385.50
March-10	\$31,385.50
April-10	\$31,385.50
May-10	\$31,385.50
June-10	\$31,385.50
July-10	\$31,385.50
August-10	\$31,385.50
September-10	\$31,385.50
October-10	\$31,385.50
November-10	\$31,385.50
December-10	\$31,385.50
Total Contract	<u><u>\$376,626.00</u></u>

CVC Incident Summary

Unsecured Door	Club	1
Fireplace Left On	Club	1
Intrusion Alarm	Spring Creek	2
Call to Check	Legends	1
Animal Check	Legends	1

Water Tank Traffic

Vehicles to Date	1556
Vehicles over 2 axles	435

Plows

Thru November	7
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Updated 12/16/2010

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

December 17, 2010

Board of Directors
Cordillera Valley Club Property Owners Association

I have compiled the accompanying balance sheet of Cordillera Valley Club Property Owners Association as of **November 30, 2010** and the related statement of revenues, expenditures and changes in fund balance with budgets for the **eleven month** period then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I also compiled the accompanying amended budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2010 and the adopted budget for 2011 and the forecast for 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of historical financial statements is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management has elected to omit substantially all of the disclosures and the statement of cash flows as of **November 30, 2010**, required by generally accepted accounting principles. Management has also elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures and statement of cash flows were included in the historical financial statements and if the summary of significant accounting policies were included in the budget and forecast, they might influence the user's conclusions about the Association's historical financial position, results of operations, and cash flows and the forecasted results of operations and fund balances. Accordingly, the historical financial statements and forecast are not designed for those who are not informed about such matters.

I also compiled the accompanying 2009 historical financial statements of the Association and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and the statement of cash flows, and if these omissions had been included, they might influence the user's conclusions about the Association's 2009 financial position, results of operations, and cash flows. Accordingly, the 2009 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cordillera Valley Club Property Owners Association

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA
President

**Cordillera Valley Club Property Owners Association
Balance Sheets**

For the Dates Indicated Below

Printed: 12/18/10

	<u>12/31/09</u>	<u>11/30/10</u>
Current Assets		
Cash - Unrestricted Portion		
Cash - Checking FBOA	61	67
Cash - Petty Cash Checking	1,606	1,606
Cash - Savings FBOA	45,949	199,916
Cash - Savings Wells Fargo	0	0
Cash - Restricted Portion		
Cash - Savings FBOA	65,700	20,700
Total Cash in Banks	<u>113,316</u>	<u>222,288</u>
Accounts Receivable		
Assessments Receivable	13,053	4,350
Due from CVCMD	0	0
Gate Damage Receivable	0	0
Receivable from Developer	0	0
Other Accounts Receivable	0	0
Allowance for Doubtful Accounts	0	0
Total Accounts Receivable	<u>13,053</u>	<u>4,350</u>
Other Current Assets		
Prepaid Expenses	2,403	0
Total Other Current Assets	<u>2,403</u>	<u>0</u>
Total Current Assets	<u>128,772</u>	<u>226,638</u>
Property, Plant & Equipment		
Equipment	0	0
Accumulated Depreciation	0	0
Total Property, Plant & Equip.	<u>0</u>	<u>0</u>
Total Assets	<u>128,772</u>	<u>226,638</u>
Liabilities and Fund Equity		
Current Liabilities		
DRB Deposits	65,700	20,700
DRB Deposits Contra Account	(6,526)	(7,944)
DRB Interest Payable	0	0
Deferred Assessments	0	0
Accounts Payable	24,046	7,521
Accrued Liabilities	0	0
Accrued Payable - SQMD	0	0
Petty Cash Clearing Account	0	0
Due To SQMD	0	0
Total Liabilities	<u>83,219</u>	<u>20,277</u>
Fund Equity		
Working Capital Contributions	63,300	63,300
Fund Balances	(17,748)	143,061
Total Fund Equity	<u>45,552</u>	<u>206,361</u>
Total Liabilities and Fund Equity	<u>128,772</u>	<u>226,638</u>
	=	=

See accompanying accountant's report.

Cordillera Valley Club Property Owners Association
Statement of Revenues Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

Printed: 12/18/10

	2009	2010 YTD			2010 Annual				2011	2012
	Actual Thru 12/31/09	Budget Thru 11/30/10	Actual Thru 11/30/10	Variance Favorable (Unfavor)	2010 Amended Budget	2010 Remaining Budget	2010 Forecast Budget	2010 Variance Fav (Unfav)	Amended Budget	Forecast
Operating Fund										
Revenues										
Regular Assessments	192,000	192,000	192,000	0	1,500		1,500		1,500	1,500
Special Assessments		0		0	192,000		192,000		192,000	192,000
RE Transfer Assessments	223,280	216,000	324,408	108,408	216,000	108,408	324,408	108,408	200,000	200,000
Design Review Fees	800	1,054	1,550	496	1,150	400	1,550	400	0	2,000
Club Impact Fee	26,863	27,938	27,938	0	27,938	0	27,938	0	29,056	29,927
Interest Income - Operating	3,153	1,084	954	(130)	1,182	(228)	1,182	0	1,200	1,200
Developer Settlement		59,272	59,272	0	59,272	0	59,272	0	0	-
Guidelines/Fines/Other Revenue	3,146	458	10,637	10,179	500	10,137	9,902	9,402	500	500
Total Revenues	449,243	497,806	616,759	118,953	498,042	118,717	616,252	118,210	422,756	425,627
Administrative Expenses										
Accounting, Admin & Management	33,497	31,625	31,303	322	34,500	3,197	34,500	0	34,500	34,500
Audit/Tax Prep Fees	650	650	0	650	650	650	650	0	650	670
Bad Debts Expense	0	0	0	0	0	0	0	0	0	-
Bank Charges	2,280	2,400	2,490	(90)	2,400	(90)	2,530	(130)	2,400	2,472
Community Marketing	24,000	24,000	24,000	0	24,000	0	24,000	0	24,000	24,720
Homeowner Relations	117	458	0	458	500	500	500	0	0	-
Income Tax Expense	717	900	0	900	900	900	900	0	300	309
Ins Expense, incl. D&O Liab.	2,383	2,625	2,403	222	2,625	222	2,625	0	2,625	2,704
Legal Fees	15,200	11,000	5,193	5,807	12,000	6,807	8,000	4,000	8,000	8,000
Meeting Expenses	351	642	604	38	700	96	700	0	700	721
Office Supplies & Expense	1,457	2,814	2,845	(31)	3,070	225	3,070	0	1,500	1,545
Total Administrative Exp.	80,652	77,114	68,838	8,276	81,345	12,507	76,575	4,770	74,675	75,640
DRB Expenses										
DRB Submittals	4,606	853	3,624	(2,772)	1,023	(2,601)	3,200	(2,177)	0	-
DRB Minor Modification	1,480	2,029	4,616	(2,587)	2,435	(2,181)	4,200	(1,765)	0	-
DRB General Overhead	14,412	10,000	13,525	(3,525)	12,000	(1,525)	12,040	(40)	0	-
DRB Special Projects	7,632	0	4,117	(4,117)	0	(4,117)	3,593	(3,593)	0	-
Covenant Enforcement & General	1,847	5,000	464	4,536	6,000	5,536	6,000	0	3,600	3,708
Rewrite DRB Guidelines		0	0	0	0	0	0	0	0	-
POA Meeting Updates	4,142	2,000	5,341	(3,341)	2,400	(2,941)	5,400	(3,000)	2,400	2,472
DRB Storage	2,400	2,000	2,000	0	2,400	400	2,400	0	1,200	1,236
DRB Landscape Architect Consultant Fees		0	0	0	0	0	0	0	0	-
DRB - Director Fees	2,025	1,875	975	900	2,250	1,275	1,350	900	2,250	2,318
DRB - Meeting Expenses	958	1,667	0	1,667	2,000	2,000	2,000	0	0	-
Legal Fees	1,283	1,125	951	174	1,500	549	1,500	0	1,000	1,030
Total DRB Expenses	40,785	26,548	35,613	(9,065)	32,008	(3,605)	41,683	(9,675)	10,450	10,764
Public Safety										
Public Safety		0		0	4,000	4,000	4,000	0	4,000	4,120
Payment to MD for Public Safety	258,128	198,224	198,224	0	198,224	0	198,224	0	188,313	193,962
Total Public Safety	258,128	198,224	198,224	0	202,224	4,000	202,224	0	192,313	198,082
Community Operations										
Recreation/Fishing	1,815	2,724	2,724	0	2,724	0	2,724	0	2,750	2,833
Community Operations Bonus	7,830	0	0	0	0	0	0	0	0	-
Total Community Ops Exp	9,645	2,724	2,724	0	2,724	0	2,724	0	2,750	2,833
Capital/Project Expenditures & Xfers										
Water Tank Expenses-Engineering	6,355	7,281	7,281	0	7,281	0	7,281	0		
Water Tank Expenses-Architectural	8,070	20,448	20,448	0	20,448	0	20,448	0		
Water Tank Expenses-Legal G&H	1,825	61,683	61,683	0	61,683	0	61,683	0		
Water Tank Expenses-Legal S&H	2,779	11,138	11,138	0	11,138	0	11,138	0		
Water Tank Expense Reimbursement	0	0	0	0	0	0	0	0		
Recreation Path Requirement per PUD		0	0	0	0	0	0	0		
Garden/Water Feature		0	0	0	0	0	0	0		
Open Space/Fishing Rights	0	0	0	0	0	0	0	0	0	
Transfer RETA for operations	0	0	0	0	0	0	0	0	0	
CTC Line of Credit Funding ⁽¹⁾							33,482	(33,482)	64,395	
Transfer RETA for Capital	10,000	50,000	50,000	0	50,000	0	57,000	(7,000)	20,000	100,000
Total Capital Expenditures	29,028	150,551	150,551	0	150,551	0	191,033	(40,482)	84,395	100,000
Total Expenditures	418,238	455,162	455,950	(789)	468,852	12,902	514,239	(45,387)	364,583	387,319
Excess of Revenues over Exp. After Capital	31,005	42,644	160,809	118,164	29,190	131,619	102,013	163,597	58,173	38,309
Beginning Fund Balance	(48,753)	(17,748)	(17,748)	0	(17,748)	0	(17,748)	0	84,265	142,438
Ending Fund Balance	(17,748)	24,896	143,061	118,165	11,442	131,619	84,265	163,597	142,438	180,746

See accompanying accountant's report.

(1) While this item is being budgeted, it is not authorized for expenditure without further approval of the Board.

**CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION, INC
DECEMBER 2010 ACCOUNTS PAYABLE**

Payables to be Approved

<u>VENDOR</u>	<u>DATE</u>	<u>DATE PAID</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>Approved By</u>
CCAI	12/17/10	12/21/10	3,250.00	Expenses	Board at Meeting
Community Association Underwriter	11/17/10	12/21/10	2,403.00	Insurance	Board at Meeting
Cordillera Transition Corporation	12/17/10	12/21/10	30,232.00	Expenses	Board at Meeting
CVCMD	12/01/10	12/21/10	2,500.00	Berm Project	Board at Meeting
	12/01/10	12/21/10	4,500.00	West Gate Project	
	11/01/10	12/21/10	49,556.00		
CVCMD Total			<u>56,556.00</u>		
Postmaster		12/04/10	56.00	Post Box Rental	Finance & Administration Committee
Robertson & Marchetti, P.C.	11/30/10	12/21/10	3,777.77	Accounting & Administration	Finance & Administration Committee
VAg, Inc	10/31/10	12/21/10	1,484.70	DRB Overhead	Board at Meeting
	10/31/10	12/21/10	478.25	Minor Modifications	
	10/31/10	12/21/10	524.16	Special Projects	
	10/31/10	12/21/10	514.50	DRB Submittals	
	10/31/10	12/21/10	200.00	Storage	
	10/31/10	12/21/10	541.65	Roach Residence	
VAg Total			<u>3,743.26</u>		

Current Accounts Payable Total 100,018.03

DRB Payables

<u>VENDOR</u>	<u>DATE</u>	<u>DATE PAID</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>Approved By</u>
Peter Kyle	12//14/10	12/21/10	150.00	DRB Meetings	Finance & Administration Committee
Ruth Borne	12//14/10	12/21/10	75.00	DRB Meeting	Finance & Administration Committee
Suzy Carey	12//14/10	12/21/10	75.00	DRB Meeting	Finance & Administration Committee
Ted Leach	12//14/10	12/21/10	150.00	DRB Meetings	Finance & Administration Committee

DRB Total 450.00

Total Payables 100,468.03

MEMORANDUM

To: Cordillera Valley Club Boards of Directors

From: Ken Marchetti

Date: December 18, 2010

Subject: Vision Steering Group aka Community Plan Steering Group

The broader Cordillera community has formed a new Vision Steering Group with a purpose “To write a draft plan that identifies the collective strengths of the Cordillera Community and its collective vision for the future as expressed in 5 year goals.” Members of the group are:

Bruce Baumgartner
Wally Carey
David Bentley
Steve Janicek
Nancy Alexander
Reini Winter
Michael Barry
Patrick Wilhelm
Rand Garbacz
Joe Wilson
Ken Marchetti

The primary steps this group plans to take are:

1. Prepare a Community Baseline
 - a. Physical inventory of assets and amenities
 - b. Off-site inventory of important services and cultural programs
 - c. Governance
 - d. Operating budgets
 - e. Demographic profiles
 - f. Property owner/stakeholder values
2. Gather demographic and “sense of community” info from members of the community through a survey of the community
3. Benchmarking to excellent communities – The Group has chosen the following communities to benchmark against:
 - a. Similar
 - i. Talisker, Park City, UT
 - ii. Montreux, Tahoe, NV
 - b. Dissimilar
 - i. Ocean Reef, Key Largo, FL
 - ii. Kiawah Island, SC

ROBERTSON & MARCHETTI, P.C.

CVC Boards of Directors
December 18, 2010
Page 2

4. Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
 - a. Community focus group meetings to be held at 9:00 a.m. and 1:30 p.m. on Wednesday, January 5, 2011 for community input into this process. To be announced through the Cordillera Event Flash.

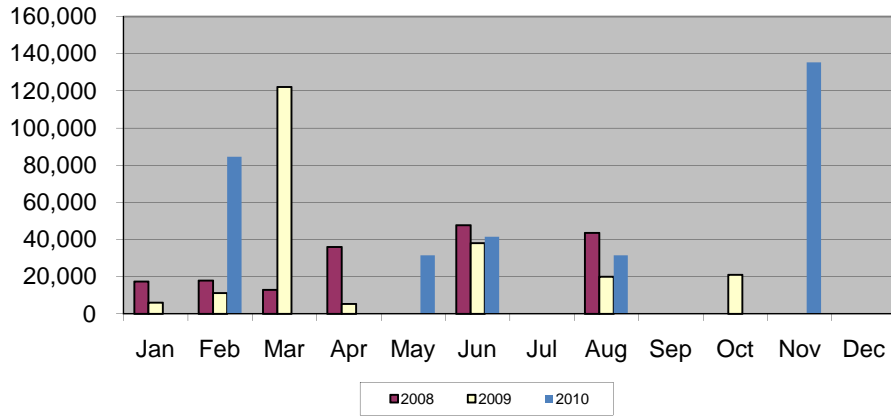
5. Creating a Better Future
 - a. Draft Vision Statement for 2015
 - b. Draft Community Goals
 - c. Listing of desired additions, improvements, and changes
 - d. Suggested next steps

6. History of Cordillera to be provided in an appendix

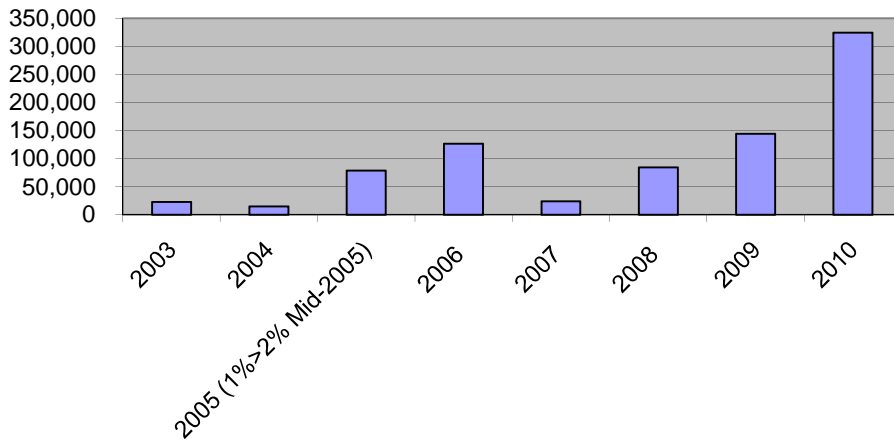
The “deliverable” will be a draft vision statement for 2015 which can be used as a guide as Cordillera moves into the future.

**Cordillera Valley Club POA
Monthly RETA Report
Data Through December 17, 2010**

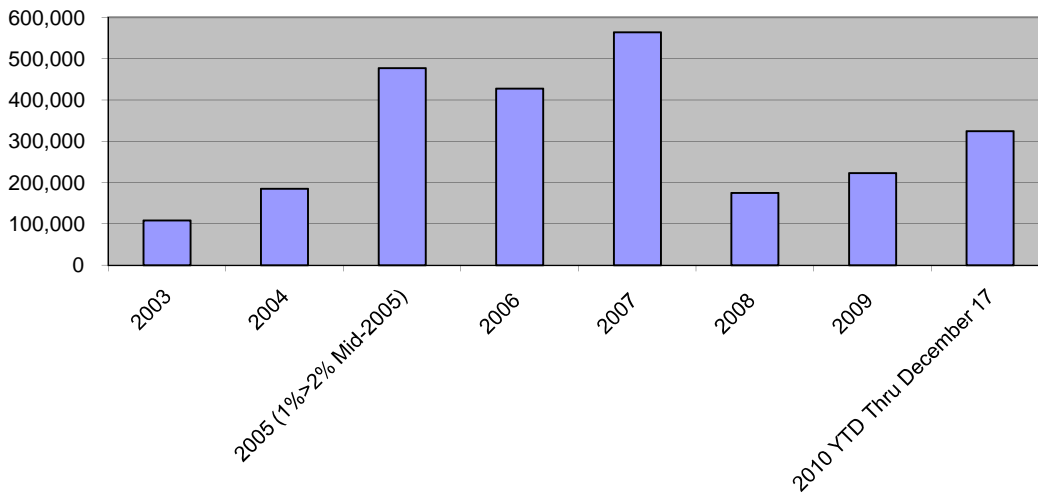
CVC Real Estate Transfer Assessments Monthly Comparison



YTD Total Thru December



RETA Annual Total ('10 YTD)



**Cordillera Valley Club Property Owners Association
Real Estate Transfer Fees
December 21, 2010**

Date Sold	Lot Number	Seller	Buyer	Address	Amount
02/05/10	Filing 1, Lot 6	Jonathan & Bethany Haerter	McKenna L Berlanti Trust	119 Juniper Ridge Road	54,000.00
02/05/10	Filing 1, Lot 15	Michael & Ann Lauterbach	Jonathan & Bethany Haerter	0854 Beard Creek Trail	30,500.00
05/28/10	Filing 2 Lot 19	Timothy & Bernadette Leiweke	Douglas & Audrey Fields	1372 Beard Creek Trail	31,500.00
06/21/10	Filing 1 Lot 9	Roy Faber Keithley	W. Lawrence & Andrea Elliott	614 Beard Creek Trail	41,508.00
08/27/10	Filing 5 Lot 1	Legends 232, LLC	Connie & Amy Dorsey	232 Legends Drive	25,200.00
08/27/10	Filing 9 Lot 9	TLH, Inc	Doug & Erin Blue	280 Legacy Trail	6,300.00
11/04/10	Filing 2 Lot 11	David & Jennifer White	Spring Creek Place LLC	50 Spring Creek Place	92,400.00
11/04/10	Filing 9 Lot 2	Panorama of the Rockies, LLC	141 Legacy Trails, LLC	141 Legacy Trail	43,000.00
			Total		<u>\$324,408.00</u>

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Cordillera Valley Club Metropolitan District November 16, 2010

A Regular Meeting of the Board of Directors of the Cordillera Valley Club Metropolitan District, Eagle County, Colorado, was held November 16, 2010 at 8:30 a.m., at the 9 Iron Grill at 0101 Legends Drive, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado. The Board met in joint session with the members of the Board of the Cordillera Valley Club Property Owners Association.

Attendance

The following Directors were present and acting:

- Emilie Egan
- Barry Gassman
- Jay Morten
- John O'Brien (By Telephone)
- Rick Pirog

Also in attendance were:

- Cordillera Valley Club POA
Wally Carey, Bob Engleby, & Tim Benedickt
- Robertson & Marchetti, P.C.
Ken Marchetti & Cheri Curtis
- Operations & Security Personnel
Dan Carlson & Todd DeJong
- CMD
Alison Perry
- Others
Bob Vanourek, (CTC)
Sarah Baker
Bart Barnett
Paul & Tanya Kessenich
Trygve Hutto
Brian Judge
Frank Navarro (Telephone)

Call to Order

The Meeting of the Board of Directors of Cordillera Valley Club Metropolitan District was called to order by Mr. Pirog, noting a quorum was present.

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT November 16, 2010 Meeting Minutes

Conference Call The log of public participation in the meeting for those participating in person and by phone is as follows:

Public Participation Log

Meeting Date	In Person	By Phone
01/14/10	0	0
02/18/10	0	0
03/16/10	2	0
04/20/10	0	0
05/11/10	0	0
06/15/10	0	0
07/20/10	0	0
08/17/10	0	0
09/21/10	0	0
10/19/10	25	3
11/16/10	6	1

Cordillera Transition Corporation

Bob Vanourek reported the Cordillera Transition Corporation Board has been increased to nine members with the addition of Sarah Baker, David Bentley & Dick Rothkopf. The Board's goal is to act in accordance with all the stakeholders' desires. Ms. Baker brings the perspective of a CVC resident and someone that does not belong to the Club at Cordillera.

The CTC is attempting to secure a line of credit with Wells Fargo, the only bank possibly interested in extending credit. The Cordillera Property Owners Association will be assessing a \$500 assessment per property to fund the operations of the CTC. A \$25,000 retainer has been paid to legal counsel and \$15,000 for Directors and Officers insurance. \$25,000 is still due to the law firm of Holmes Roberts & Owens. A forensic auditor will also be hired. Ms. Baker is creating a website with all the CTC information. The CTC is anticipating needing \$100,000 for 2010 expenses and expects to take out a short term loan in the name of the CTC. The CPOA is contributing funds with after-payment approval of payables monthly.

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT November 16, 2010 Meeting Minutes

The main current issue for the CTC is the Dues Escrow Agreement. The Confidentiality Agreement was completed last week which will now allow CTC's agents to review the Club's financial records. CTC's agents are trying to determine if past expenses were allowable and where the member's dues were spent. Walter Copeland is meeting with EKS&H, a Denver accounting firm, in this regard. The CTC is working on an escrow agreement where the 2011 dues will be held in escrow and where funds will only be released from escrow upon review by an independent auditor to ensure they are being used for approved purposes. A suggestion has been made that a dual escrow account structure be considered.

Mr. Barnett questioned how the Wilhelms are responding to the demands of the CTC. Mr. Vanourek reported the Wilhelms recognize the CTC goal is to work for the good of everyone involved. The Club needs its members to pay their 2011 dues to continue operating and they also need the trust of the community so working with the CTC could accomplish those goals.

Mr. Carey questioned the plan if the Wilhelms decide to not cooperate with the CTC. Mr. Vanourek stated the CTC is looking comprehensively at all options. However, the CTC is willing to allow private partners to negotiate if they would like to.

One of the CTC's goals is to make the Club financially viable. The Club and golf are only part of the focus. The other amenities in addition to golf are also being considered. Property values is another big factor as well as the possible effects on non-property owners who are Club Members. Public participation is encouraged in an effort to develop solutions.

Mr. Carey questioned the worst case scenario. Mr. Vanourek indicated the CTC is looking at other options as well.

Berm Update

Sarah Baker reported the Berm Committee consisting of Rick Pirog, Frank Navarro, and Ms. Baker met with Bob Naracci, from Eagle County Planning and Bob Morris with the Eagle County Attorney's office. It was confirmed the PUD approval does not expire. There is a one-year term requirement to deposit \$20,000 with Eagle County for the community path planning. Ms. Baker stated it is not legal to put that requirement on a PUD approval.

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT November 16, 2010 Meeting Minutes

Mr. Pirog and Mr. Gassman met with the Wilhelm's to discuss the agreements needed for the berm. Language was requested by the Wilhelm's related to years in which irrigation water is in short supply. The agreements will need to be revised and reviewed by all parties prior to execution.

Mr. Judge reported ACC is still interested in building the berm and their current estimate of the construction costs is approximately \$2.9 million.

Mr. Carey questioned the timing requirements. Ms. Baker reported the committee is in discussions with Eagle County representatives explaining the problems with the current requirements. The committee will wait until all design changes are determined before going back to Commissioners.

Agenda

The agenda was approved as presented.

Upcoming Meetings

There were no changes to the meeting schedule.

Public Input

There was no public input.

Minutes

The Board reviewed the meeting minutes of the October 19, 2010 meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting minutes of the October 19, 2010 Regular Meeting as revised with Directors Egan, Gassman, Morten, O'Brien, and Pirog voting in favor of the resolution.

The Board reviewed the minutes of the October 26, 2010 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting minutes of the October 26, 2010 Special Meeting as revised with Directors Egan, Gassman Morten, O'Brien, and Pirog, voting in favor of the resolution.

2011 Budget Hearing

It was noted the meeting was published as a budget hearing for the 2011 budget. The meeting was opened to public input. There being no public comment, the public session was closed. By motion duly made and seconded it was unanimously

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT November 16, 2010 Meeting Minutes

RESOLVED to adopt the 2011 budget, certifying the mill levy rate and appropriating funds for expenditure in 2011 as presented. A copy of the formal budget, mill levy and appropriation resolution is incorporated herein by this reference. Directors Egan, Gassman, Morten, O'Brien, and Pirog voted in favor of the resolution. Certain expenditures in the budget are contingent upon the POA's contribution to the District.

Financial Report

Mr. Marchetti presented the October 31, 2010 financial report. The 2010 budget was amended for additional expenses presented at the October meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the amended 2010 budget as presented with Directors Egan, Gassman, Morten, O'Brien, and Pirog, voting in favor of the resolution.

Accounts Payable

Upon motion duly made and seconded it was

RESOLVED to approve the accounts payable list as presented with Directors Egan, Gassman, Morten, O'Brien, and Pirog, voting in favor of the resolution.

November Election

Mr. Marchetti reported the District's election questions passed on November 2, 2010. A secondary "one property, one vote" election is required but that election can be conducted at any time. The Board agreed that election will be conducted when it is determined the funds will be necessary.

Public Safety

Mr. DeJong distributed information on Lone Star Security and Safety Services, explaining the changes in the company over the last two years. The company plans to continue to grow and Lone Star's training requirements are being increased, which will benefit CVC.

Mr. DeJong reported all staff are trained as First Responders. New procedures have been put in place to allow Lone Star Security personnel to be the first responder.

Mr. Carey explained the alarm process and suggested networking all individual security alarm systems with one company. Ms. Baker

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT November 16, 2010 Meeting Minutes

questioned whether property owners not using a security alarm company should pay for security services.

Mr. DeJong presented options for the west gate security and an argument for maintaining twenty-four hour security. By motion duly made and seconded it was unanimously

RESOLVED to authorize expenditure of up to \$14,200 for the back gate security with Directors Egan, Gassman, Morten, O'Brien, and Pirog, voting in favor of the resolution.

FURTHER RESOLVED to authorize spending up to \$4,500 for a call box and camera system for the back gate with Directors Egan, Gassman, Morten, O'Brien, and Pirog, voting in favor of the resolution.

Mr. Carey, Mr. Engleby and Mr. Judge left the meeting at 12:00 p.m.

Snowplowing

Mr. O'Brien reported the snow plowing services had been put out to bid and Cordillera Metro District was the low bidder but Premier Contracting who has been doing the snow plowing (and has acquired additional equipment for the 2010-2011 season) has agreed to revised their proposal to provide snowplowing at \$20,000 each year for the next two years.

By motion duly made and seconded, it was

RESOLVED to approve awarding the snow plowing contract to Premier Contracting for a fee of \$20,000 per year for two seasons with Directors Egan, Gassman, Morten, O'Brien, and Pirog, voting in favor of the resolution.

Barrow Lot

The Board discussed the letter from Mr. Barrow offering to convey his lot to the District. The Board agreed to accept conveyance of the lot.

Adjournment

There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Cordillera Valley Club Metropolitan District Board of Directors this 16th day of November 2010.

RECORD OF PROCEEDINGS

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT
November 16, 2010 Meeting Minutes

Respectfully submitted,

Cheri Curtis
Secretary for the Meeting

SUBJECT TO APPROVAL



October 20, 2010

Board of Directors
Cordillera Valley Club Metropolitan District
Via Email: sonya@rmpccpa.com

We are pleased to confirm our understanding of the services we are to provide Cordillera Valley Club Metropolitan District (the District) for the year ended December 31, 2010. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

Supplementary information other than RSI also accompanies the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1) Budget Comparison Schedules.

2) Other Supplementary Information.

Audit Objective

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.



Cordillera Valley Club Metropolitan District
October 20, 2010
Page 2

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations. Management is responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.



Cordillera Valley Club Metropolitan District
October 20, 2010
Page 3

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on March 28, 2011 and to issue our reports no later than June 15, 2011. T. Michael Nelson is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,750. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Cordillera Valley Club Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

CHADWICK, STEINKIRCHNER, DAVIS & CO. P.C.


T. Michael Nelson, CPA

RESPONSE:

This letter correctly sets forth the understanding of Cordillera Valley Club Metropolitan District.

Signature

Title

Date

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

December 17, 2010

Board of Directors
Cordillera Valley Club Metropolitan District

I have compiled the accompanying balance sheet of Cordillera Valley Club Metropolitan District as of November 30, 2010 and the related statement of revenues, expenditures and changes in fund balance with budgets for the eleven month period then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I also compiled the accompanying amended budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2010 and the adopted budget for calendar year 2011 and the forecast for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of historical financial statements is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management has elected to omit substantially all of the disclosures as of November 30, 2010 required by generally accepted accounting principles. Management has also elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the historical financial statements and if the summary of significant accounting policies were included in the budget and forecast, they might influence the user's conclusions about the District's historical financial position and results of operations and the forecasted results of operations and fund balances. Accordingly, the historical financial statements and forecast are not designed for those who are not informed about such matters.

The actual historical information for calendar year 2009 is presented for comparative purposes only. Such information is taken from the financial statements for the District which have been audited by Chadwick, Steinkirchner, Davis and Co., P.C. and upon which they expressed an unqualified opinion in their report dated July 21, 2010.

I am not independent with respect to Cordillera Valley Club Metropolitan District

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA
President

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT
BALANCE SHEET - ALL FUNDS Printed:
ALL FUND TYPES AND ACCOUNT GROUPS 12/17/10
For the Dates Indicated Below

	2009 Combined Actual	11/30/10		
		General Fund	Fixed Assets & Debt	Total 11/30/10
Assets				
Checking - First Bank	501	225		225
Money Market - First Bank		0		0
Colostrust - Savings	175,501	257,566		257,566
Petty Cash Checking - First Bank	700	700		700
Investment Pooled Cash	0	0		0
Accounts Receivable - Other	5,492	1,810		1,810
Accounts Receivable - Developer				0
Due from County Treasurer	1,416	0		0
Property Tax Receivable	648,949	3,398		3,398
Prepaid Expense - Snow Removal	0	0		0
Prepaid Insurance	3,916	0		0
Assets - Equipment	22,759		22,759	22,759
Assets - Construction in Progress	613,123		613,123	613,123
Assets - Landscape Improvement	623,674		623,674	623,674
Assets - Vehicle	27,346		27,346	27,346
Accumulated Depreciation	(213,903)		(213,903)	(213,903)
District Organization Costs, Net	0		0	0
Bond Issue Costs, Net	5,519		5,519	5,519
Total Assets	1,914,994	263,698	1,078,518	1,342,216
Liabilities				
Accounts Payable - GF	6,029	11,701		11,701
Account Payable - CVCPOA	555	0	0	0
Accrued Interest Payable	1,966		1,966	1,966
Deferred Property Tax	648,949	3,398		3,398
LT Debt - Bond Payable	114,539		97,444	97,444
Wells Fargo Note Payable	0		0	0
Total Liabilities	772,038	15,099	99,410	114,509
Net Assets				
Investment in Fixed Assets, Net	1,078,518		1,078,518	1,078,518
Net of Long-term debt	(116,505)		(99,410)	(99,410)
Fund Balance	180,943	248,599		248,599
Total Net Assets	1,142,956	248,599	979,108	1,227,707
Total Liabilities and Fund Equity	1,914,994	263,698	1,078,518	1,342,216
	=	=	=	=

See Accompanying Accountant's Report.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT
BALANCE SHEET - ALL FUNDS Printed:
ALL FUND TYPES AND ACCOUNT GROUPS 12/18/10
For the Dates Indicated Below

	2009 Combined Actual	11/30/10		
		General Fund	Fixed Assets & Debt	Total 11/30/10
Assets				
Checking - First Bank	501	225		225
Money Market - First Bank		0		0
Colostrust - Savings	175,501	257,566		257,566
Petty Cash Checking - First Bank	700	700		700
Investment Pooled Cash	0	0		0
Accounts Receivable - Other	5,492	1,810		1,810
Accounts Receivable - Developer				0
Due from County Treasurer	1,416	0		0
Property Tax Receivable	648,949	3,398		3,398
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Prepaid Insurance	3,916	0		0
Assets - Equipment	22,759		22,759	22,759
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Assets - Vehicle	27,346		27,346	27,346
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Total Liabilities and Fund Equity	1,914,994	263,698	1,078,518	1,342,216
	=	=	=	=

See Accompanying Accountant's Report.

Cordillera Valley Club Metro District
Statement of Revenues, Expenditures and Fund Balance Modified Accrual Basis
Actual, Budget and Forecast for the Periods Indicated

	2009	2010 YTD			2010 Annual				2011	2012
	Actual 12/31/09	YTD Budget 11/30/10	YTD Actual 11/30/10	Variance Favorable (Unfavor)	2010 Amended Budget	Remaining Budget	2010 Forecast Budget	2010 Variance Fav (Unfav)	Adopted Budget	Forecast
General Fund										
Revenues										
Beginning Assessed Value										25,016,480
New Construction										(6,254,120)
Valuation Changes										
Ending Assessed Value	20,865,150		0		25,957,960		25,957,960	0	25,016,480	18,762,360
Operating Mill Levy Rate					25.000		25.000		25.000	25.000
Temp Mill Levy Credit										
Debt Service Mill Levy					0.000		0.000		0.000	1.180
Total Mill Levy	0.000	0	0	0	25.000		25.000	0	25.000	26.180
Property Taxes - Operations	519,972	648,949	645,551	(3,398)	648,949	(3,398)	648,949	0	625,412	469,059
Property Taxes - Debt Service						0			0	22,136
Specific Ownership Taxes	21,197	18,333	18,322	(11)	22,000	(3,678)	22,000	0	21,889	19,648
Other Income	0	19,894	19,894	0	19,894	0	19,894	0		
Interest Income - Operating	1,729	4,308	5,287	979	4,700	587	4,700	0	7,200	10,467
Payment from CVCPOA	258,128	148,668	148,668	0	198,224	(49,556)	198,224	0	188,313	193,962
Xfer RETA (for operations)	0	0	0	0	0	0	0	0	0	0
Xfer RETA (for Capital)	10,000	50,000	50,000	0	57,000	(7,000)	57,000	0	20,000	100,000
Total Revenues	811,026	890,153	887,723	(2,430)	950,767	(63,044)	950,767	0	862,814	815,272
Administrative Expenses										
Accounting, Admin & Mgmt	35,574	41,333	41,334	(0)	44,000	2,666	44,000	0	38,000	38,000
Audit	5,750	5,750	5,750	0	5,750	0	5,750	0	6,000	6,180
Dues & Subscriptions	771	527	527	0	527	0	527	0	900	927
Elections	0	12,614	11,321	1,293	12,614	1,293	12,614	0	0	2,000
Ins Expense, incl Govt Officials	3,511	3,916	3,916	0	3,916	0	3,916	0	4,000	4,120
Legal Fees	1,190	6,050	5,807	243	6,600	793	6,600	0	6,600	6,600
Meeting Expenses	2,248	2,200	1,486	714	2,400	914	2,400	0	2,400	2,472
Office Supplies & Expense	236	2,292	1,647	645	2,500	853	2,500	0	3,000	3,090
Treasurer's Fees	15,684	19,468	19,511	(43)	19,468	(43)	19,468	0	18,762	14,736
Total Administrative Exp.	64,964	94,151	91,299	2,852	97,775	6,476	97,775	0	79,662	78,125
Public Safety										
Gate House Staffing & Patrols	382,797	363,411	366,153	(2,742)	396,449	30,296	396,449	0	376,626	387,925
Vehicle Operating Expense	2,794	1,026	1,025	0	1,026	0	1,026	0		0
Total Public Safety	385,591	364,437	367,178	(2,741)	397,474	30,296	397,474	0	376,626	387,925

See accompanying accountant's report.

Cordillera Valley Club Metro District
Statement of Revenues and Expenditures
Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

	2009	2010 YTD			2010 Annual				2011	2012
	Actual 12/31/09	YTD Budget 11/30/10	YTD Actual 11/30/10	Variance Favorable (Unfavor)	2010 Amended Budget	2010 Remaining Budget	2010 Forecast Budget	2010 Variance Fav (Unfav)	Adopted Budget	0 Forecast
General Fund (Continued)										
Community Operations:										
Landscaping - Turf Area Maintenance	18,812	18,845	17,365	1,480	18,845	1,480	18,845	0	16,960	17,469
Landscaping - Flowers Maintenance	33,900	34,150	34,150	0	34,150	0	34,150	0	30,750	31,673
Lights, Signs, Guardrails, & Fences	5,167	3,850	3,476	374	4,200	724	4,200	0	8,000	8,240
Holiday Lights	8,478	8,480	8,631	(151)	8,480	(151)	8,480	0	8,723	8,985
Recreation	0	0	0	0	1,500	1,500	1,500	0	1,500	1,545
Walls & Planters Maintenance	0	6,500	6,500	0	6,500	0	6,500	0	6,000	6,180
Road Maintenance	15,699	2,400	1,487	913	2,400	913	2,400	0	10,500	10,815
Road Asphalt Patch & Crack Seal	13,494	19,912	19,912	0	19,912	0	19,912	0	20,000	20,600
Road & General Engineering	9,771	4,583	1,099	3,484	5,000	3,901	5,000	0	5,000	5,150
Engineering - Special Projects	259	7,325	5,118	2,207	7,325	2,207	7,325	0	5,000	5,150
Engineering - PUD Mapping	0	6,615	6,615	0	6,615	0	6,615	0	0	0
Snow Plowing Contract	24,400	20,160	16,800	3,360	25,200	8,400	25,200	0	20,000	20,000
Snow Plow Material, Eq Rent, Xtras	6,498	0	0	0	0	0	0	0	6,000	6,180
Weed & Pest Control	10,288	7,810	8,520	(710)	8,520	0	8,520	0	10,000	10,300
Tree Care	14,380	6,255	6,255	0	6,255	0	6,255	0	6,668	6,868
Operations Management	43,757	40,111	40,111	0	43,757	3,647	43,757	0	43,757	45,070
Operations Cell Phone	252	495	184	311	540	356	540	0	540	556
Gatehouse Utilities - Cable TV	1,227	1,192	1,092	100	1,300	208	1,300	0	1,300	1,339
Utilities - Electric	3,917	3,850	2,823	1,027	4,200	1,377	4,200	0	4,326	4,456
Utilities - Water	7,093	7,936	6,754	1,182	8,016	1,262	8,016	0	8,016	8,257
Utilities - Telephone/ISP	1,745	2,017	2,048	(31)	2,200	152	2,200	0	3,600	3,708
Gate Maintenance and Transponders	4,806	10,000	9,498	502	10,000	502	10,000	0	5,000	5,150
Building Maintenance and Repairs	0	2,400	0	2,400	2,400	2,400	2,400	0	5,000	5,150
Operating Contingency		0	0	0	0	0	0	0	25,000	25,750
Total Community Ops Exp	223,940	214,885	198,437	16,448	227,315	28,878	227,315	0	251,640	258,589
Debt Service										
Debt Service - Principal 2003 Loan (\$	16,375	17,095	17,095	(0)	17,095	(0)	17,095	0	17,847	18,633
Debt Service - Interest 2003 Loan (\$2	5,760	5,040	5,040	0	5,040	0	5,040	0	4,288	3,503
Debt Service - Vehicle Purchase Prin	0	0	0	0	0	0	0	0		
Debt Service - Vehicle Purchase Inter	0	0	0	0	0	0	0	0		
Debt Service - 2010 Bonds	0	0	0	0	0	0	0	0		
Debt Service - 2011 Bonds	0	0	0	0	0	0	0	0	0	0
Debt Service - 2012 Bonds										
Contingency		0	0	0	0	0	0	0		
Total Debt Service Exp	22,135	22,135	22,135	(0)	22,135	(0)	22,135	0	22,135	22,136
Total Expenses Before Capital	696,630	695,608	679,049	16,559	744,699	65,650	744,699	0	730,063	746,775
Rev over Exp. before Capital	114,396	194,545	208,674	14,129	206,068	2,606	206,068	0	132,751	68,497

See accompanying accountant's report.

Cordillera Valley Club Metro District
 Statement of Revenues and Expenditures
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

	2009	2010 YTD			2010 Annual				2011	2012
	Actual 12/31/09	YTD Budget 11/30/10	YTD Actual 11/30/10	Variance Favorable (Unfavor)	2010 Amended Budget	Remaining Budget	2010 Forecast Budget	2010 Variance Fav (Unfav)	Adopted Budget	0 Forecast
General Fund (Continued)										
Capital Expenditures & Spec Projects										
Gate House & Equipment	3,177	0	0	0		0		0		
RFID Sys (Repl Transponders)*	1,825	20,354	19,918	436	20,354	436	20,354	0		
Camera System	0	15,842	15,842	0	15,842	0	15,842	0		
Berm Design/PUD-Vag	4,046	27,552	30,964	(3,412)	27,552	(3,412)	27,552	0		
Berm Design - Marcin		1,200	1,193	8	1,200	8	1,200	0		
Berm Design - Struct & Soils Engr		6,650	6,624	27	6,650	27	6,650	0		
Berm Design - Irrigation System		1,625	1,625	0	1,625	0	1,625	0		
Berm Legal Expense	2,990	4,520	4,619	(99)	4,520	(99)	4,520	0		
Berm Committee for PUD & Legal		2,500		2,500	2,500		2,500	0		
Lighting and Signage Design - VAg		20,525	20,713	(188)	20,525	(188)	20,525	0		
Lighting - Materials & Installation		14,500	15,042	(542)	14,500	(542)	14,500	0		
Signage Upgrade		1,006	984	23	1,006	23	1,006	0		
Signage - Vag		0	0	0		0		0		
Open Space/Fishing Rights		0	0	0		0		0		
Guard Rail Juniper Ridge to Legacy *		0	0	0		0		0		
Equipment Storage Area/Shed		0	0	0		0		0		
Retain Wall/Planter Juniper Ridge Rd		0	0	0		0		0		
Rock Wall Beard Creek & Juniper		0	0	0		0		0		
W Gate Design-Architect		9,895	9,895	(0)	9,895	(0)	9,895	0		
W Gate Design - Engineering		2,000	1,968	33	2,000	33	2,000	0		
W Gate Constr Admin		0	0	0		0		0		
W Gate Fence		12,000	11,633	367	12,000	367	12,000	0		
W Gate Computerize & Call Box		18,700		18,700	18,700		18,700	0		
Other Capital Projects		0	0	0	0	0	0	0	12,000	12,000
Total Capital Expenditures	12,038	158,869	141,018	17,851	158,869	(3,349)	158,869	0	12,000	12,000
Rev over Exp After Cap	102,358	35,676	67,656	31,980	47,199	(743)	47,199	0	120,751	56,497
Other Financing Sources & Uses										
Bond/Loan Proceeds	0	0	0	0		0		0		
Bond Issue Costs	0	0	0	0	0	0	0	0	0	0
Advances from CVCPOA, Net	0	0	0	0		0		0		
Transfer To Debt Service Fund	0	0	0	0		0		0		
Transfer From General Fund	0	0	0	0		0		0		
Transfer to Cap Projects Fund	0	0	0	0	0	0	0	0		
Transfer From (to) General Fund	0	0	0	0	0	0	0	0	0	0
Total Other Sources & Uses	0	0	0	0	0	0	0	0	0	0
Beginning Fund Balance	78,585	180,943	180,943	(0)	180,943	(0)	180,943	0	228,142	348,893
Ending Fund Balance	180,943	216,619	248,599	31,980	228,142	(743)	228,142	0	348,893	405,390

See accompanying accountant's report.

**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT
DECEMBER 2010 ACCOUNTS PAYABLE**

Payables to be Approved

<u>VENDOR</u>	<u>DATE</u>	<u>DATE PAID</u>	<u>AMOUNT</u>	<u>ACCT #</u>	<u>DESCRIPTION</u>	<u>Approved By</u>
<u>Gate House Expenses</u>						
CenturyTel	11/14/10	12/21/2010	159.08	6060.1	Gatehouse Phone	Dan Carlson/Operations Committee
DirectTV	10/16/10	12/21/2010		6050.1	Gatehouse TV	Dan Carlson/Operations Committee
Eagle River Water & Sanitation	12/02/10	12/21/2010	32.97	6080.1	Gatehouse Water	Dan Carlson/Operations Committee
Holy Cross Electric	11/24/10	12/21/2010	<u>155.36</u>	6070.1	Gatehouse Electric	Dan Carlson/Operations Committee
Total Gatehouse Utilities			<u>347.41</u>			
<u>Operations Expenses</u>						
The Club at Cordillera	11/16/10	12/21/2010	100.00	5350.1	November Meeting	Finance & Administration Committee
Colorado Special District Property & Liab	11/12/10	12/21/2010	166.36	5400.1	Budget Notice	Finance & Administration Committee
Grimshaw & Harring	11/30/10	12/21/2010	98.96	5300.1	General Legal	Finance & Administration Committee
	11/30/10	12/21/2010	1,542.57	7045.4	Berm Project	
	11/30/10	12/21/2010	<u>98.96</u>	5170.1	Elections	
Total Grimshaw & Harring			<u>1,740.49</u>			
Holy Cross Energy	11/24/10	12/21/2010	42.51	6300.1	Street Lighting	Dan Carlson/Operations Committee
	11/17/10	12/21/2010	<u>56.65</u>	6300.1	0033 Wilmore Drive	
Total Holy Cross Energy			<u>99.16</u>			
Home Depot	11/17/10	12/21/2010	83.73	6400.1	Ice Melt	Dan Carlson/Operations Committee
Kemp & Company	10/01/10	12/21/2010	123.82	6400.1	Equipment Repairs	Dan Carlson/Operations Committee
Lone Star	12/01/10	12/21/2010	33,342.79	6370.1	Security	Contractual Agreement
Premier Landscape Inc	12/06/10	12/21/2010	4,000.00	6450.1	Snowplowing	Dan Carlson/Operations Committee
Robertson & Marchetti, P.C.	11/30/10	12/21/2010	3,671.95	5050.1	Accounting & Administration	Finance & Administration Committee
	11/30/10	12/21/2010	883.35	5170.1	Elections	
	11/30/10	12/21/2010	<u>181.26</u>	5400.1	Office Supplies	
Total Robertson & Marchetti, P.C.		12/21/2010	<u>4,736.56</u>			
SFB, Inc.	12/01/10	12/21/2010	3,646.42	6350.1	Operations Services	Contractual Agreement
Shaw Electric, Inc	11/24/10	12/21/2010	170.00	6300.1	Light Repairs	Dan Carlson/Operations Committee
VAG, Inc	10/31/10	12/21/2010	3,453.21	7040.4	T&M Related to Berm Project	Board at Meeting
Accounts Payable Total			<u>52,009.95</u>			

CODE OF CONDUCT

It is the intent of the Cordillera Valley Club Metropolitan District Board of Directors (Board) to adhere to a high level of ethical conduct so the community will have confidence that persons in positions of public responsibility are acting for the benefit of the community. Board members, staff members and employees should comply with both the letter and spirit of this ethics code and strive to avoid situations that create impropriety or even the appearance of impropriety.

The Board recognizes ethical issues will arise in the course of service to the community. It is the intent of this code of conduct to clarify which actions are allowed and which constitute a breach of the community trust and, specifically relating to the use of elected office for private gain, employment and supervision of family members, gifts, conflicts of interest, and other matters inconsistent with the values and mission of the CVCMD and to assure the community any possible wrongdoing reported to the Board will be investigated and dealt with appropriately.

Board members' decisions are based on the merits of any case before the Board. Judgment is independent and objective. The Board exercises its authority with open meetings and public records. Board members obey the letter and the spirit of all laws and regulations, do not exploit loopholes, facilitate open discussion and dialogue, are personally honest, and avoid discreditable conduct so as to act as role models for the community.

No code of conduct can cover all possible ethical dilemmas. It is the ultimate responsibility of the Board to ensure that all Board members act with the highest integrity. Should circumstances arise that are not specifically covered by the written code but are clearly outside the bounds of accepted behavior for a Board member, then the Board, in consultation with legal counsel and those deemed appropriate by the Board should deal with the matter in accordance with good common sense and decorum in a timely manner.

Advisory opinions and waivers

Any current Board member or Board member elect may submit a written or oral request to the Board of Directors for advisory opinions on whether any conduct by that person would constitute a violation of the code of conduct. The Board members, excluding the petitioning member, with consultation of retained legal counsel and the General Manager will render a timely advisory opinion to the petitioning Board member.

The Board may publish their advisory opinions. They shall do so with deletions as may be lawful and necessary to prevent disclosure of the identity of the individual involved. The Board may publish guidelines based upon advisory opinions.

- a) Noncompliance with advisory opinions. When the Board has reason to believe the advisory opinion has not been complied with, it shall inform the person and shall take appropriate action to ensure compliance. Repeated non-conformance with the advisory opinion may result in a request by the Board for the member's resignation or recall of the Board member all in full compliance with state law.
- b) Waivers. Waivers may be applied for by the Board member or Board member elect. The Board is empowered to grant a waiver if they find the waiver will serve the best interests of the community. The Board shall issue appropriate notice of their meeting on the waiver and their meeting shall be open to the public. Such waiver shall be entered into the minutes of the regular meeting, which minutes are open to the public.

Complaints or inquiries to the Board of Directors

Any community member may file a written complaint or inquiry with the Board asking whether a current Board member has failed to comply with this code of conduct. Such written document should include the complainant's name, telephone number, and address. All such complaints should be timely; the action having taken place within the past 6 months. The Board, in response, shall:

- a) Conduct a hearing in a meeting, except as noted in (b) below, which shall be open to the public on all complaints and inquiries except those subject to specific waivers. The complainant and the person subject of the complaint shall have the opportunity to present their findings and state their case before the Board in person or by written affidavit.
- b) The Board shall be allowed to dismiss a complaint or inquiry without a finding for or against the subject of the complaint or inquiry if the person who submitted it does not appear at the hearing and if, in the opinion of the Board, it would be unfair to the subject of the complaint or inquiry not to have the opportunity to examine the person. The Board shall, however, schedule a hearing at a time that is reasonably convenient to both the person who submitted the complaint or inquiry and the subject of the complaint or inquiry.
- c) The Board should be able to immediately dismiss the complaint or inquiry if:
 - i. They have no jurisdiction;
 - ii. The alleged violation, if true, would not constitute a violation of ethics under normal circumstances;
 - iii. The alleged violation is a minor violation;
 - iv. The complaint or inquiry is, on its face, frivolous, groundless, or brought for the purposes of harassment;
 - v. The matter has become moot because the person who is subject to the complaint is no longer a Board member;
 - vi. The person who is the subject of the complaint or inquiry had obtained a waiver or an advisory opinion permitting the conduct, or
 - vii. The Board has already taken action as a result of finding a violation and the Board believes the action was appropriate.
- d) Be required to make their judgment(s) on the basis of clear and convincing evidence,
- e) Make public written findings and recommendations, if any, on complaints and inquiries. Board findings shall characterize the gravity of the violation, if any and shall be made only by a majority of the Board. Members not present for the hearing shall not participate in a recommendation.
- f) Consider, when making findings and recommendations, the severity of the offense; the presence or absence of any intention to conceal, deceive, or mislead; whether the violation was deliberate, negligent, or inadvertent; and whether the incident was isolated or part of a pattern.
- g) Issue an advisory opinion in response to a complaint or inquiry, in lieu of making findings and recommendations, where deemed appropriate by the Board.
- h) Inform the person who is subject of the complaint or inquiry and the persons who submitted the complaint or inquiry of all findings and recommendations.

- i) If the Board feels corrective action is necessary, notify the person that appropriate action be taken, ranging from abstaining from further action on the matter to seeking a waiver or adopting a resolution by the Board to reprimand the person.
- j) Failure of the person to take appropriate action can result in the Board adopting a resolution to request the person to resign their Board position or recall of the Board member.

Family Members

Unless he or she obtains a waiver, no Board member shall be in a position to appoint, hire, influence the hiring of, or supervise an immediate family member in the execution of their duties pursuant to their Board position.

Immediate family means husband, wife, son, daughter, mother, father, step-son, step-daughter, step-mother, step-father, grandmother, grandfather, grandchildren, brother, sister, domestic partner, any person with whom he or she is cohabiting and any person to whom he or she is engaged to be married. The term includes any minor children for whom the person or his or her domestic partner provides day-to-day care and financial support. A “domestic partner” is an unmarried adult, unrelated by blood, with whom an unmarried Board member has an exclusive committed relationship, maintains a mutual residence, or shares basic living expenses.

Gifts to Board Members

Except when acceptance is permitted by action of the Board, it shall be a violation of this code of conduct for any Board members to solicit or accept any:

- a) money, property, service, or thing of value that is given to a person without adequate and lawful compensation,
- b) any honoraria or payment for participation in an event,
- c) any loan of goods, equipment, or other items that is not available to the general public on the same terms and conditions,
- d) any loan of money that is not available to the general public at the same interest rate and the same conditions,
- e) any ticket to a sporting, recreational, or cultural event,
- f) travel expenses or lodging,
- g) any reduction in price or any discount that is not similarly available to all Board members on the same terms.

This prohibition shall also apply to gifts from a representative of a client, employee, or staff member who is in a position to take direct action with regard to the client and CVCMD has an existing, ongoing, or pending contract, business, or regulatory relationship with the client.

Conflict of interest while serving

Unless a waiver has been obtained Board members shall not take any direct action on any matter before the Board if they or a member of their immediate family, a business associate, or an employer has any substantial employment, contractual, or financial interest in the matter. Persons with the potential for frequent conflicts of interest in this manner should not be considered for Board membership by the CVCPOA Board nominating committee, if any. A substantial interest shall be deemed to exist if:

- a) He or she or a member of the immediate family, a business associate or an employer is the other party in the matter,
- b) He or she, a member of the immediate family, a business associate or an employer is an officer in another party to the matter,
- c) He or she, a member of the immediate family, a business associate or an employer is directly involved in obtaining CVCMD's business for another party in the matter,
- d) He or she, a member of the immediate family, a business associate or an employer is directly involved in negotiating the contract or preparing the bid, proposal, response to a request for qualifications, or similar document for another party in the matter, other than in a purely clerical capacity,
- e) A member of his or her immediate family performs more than a nominal portion of the work in the matter, or supervises or manages more than a nominal portion of the work.

For purposes of this section, business associate means a person or entity with whom a Board member or a member of his or her immediate family is a partner or a co-owner of a business in which the business associate and the Board member or a member of his or her immediate family each own at least 1% of the business.

A Board member may represent himself or herself before a Board in accord with such Board's procedures, provide the Board member does not also participate in the Board's decision in his or her official capacity

Use of Board Membership for private gain

No Board member shall use his or her office or position or disclose or use confidential information in order to obtain private gain for himself or herself, for his or her immediate family, for any business entity with which he or she is affiliated or for any person or entity with whom the Board member is negotiating or has any arrangement concerning prospective employment. No Board member should use his or her office or position to enhance their personal financial position, enhance their property values to the exclusion of others, gain special favors from staff members and employees, solicit or expect special treatment from staff and employees because of their Board position or committee membership

Acceptance

I, as a member of the CVCMD Board of Directors have read the above Code and Conduct and agree to abide by its provisions in all my dealings as a member of the CVCMD Board.

Emilie Egan; Director
Cordillera Valley Club Metropolitan District

Barry Gassman; Director
Cordillera Valley Club Metropolitan District

Jay Morten; Director
Cordillera Valley Club Metropolitan District

John O'Brien; Director
Cordillera Valley Club Metropolitan District

Rick Pirog; Director
Cordillera Valley Club Metropolitan District