
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Cordillera Valley Club Metropolitan District

December 14, 2006

The Regular Meeting of the Board of Directors of the Cordillera Valley Club Metropolitan District, Eagle County, Colorado, was held December 14, 2006 at 8:30 a.m., at the Chaparral Restaurant 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 Executive Board of the Cordillera Valley Club Property Owners Association.

Attendance

The following Directors were present and acting:

- Wally Carey
- Rick Pirog
- Kent Myers
- Ed O'Brien
- Brian Judge

Also in attendance were:

- Robertson & Marchetti, P.C.
Ken Marchetti & Chrissy Laabs
- Cordillera Valley Club Property Owners Association
David White, Tom Marcin & Bart Barnett
- Operations & Security Personnel
Dan Carlson & Rick Adams
- Cordillera Metropolitan District
Bart Seigler, Joe Wilson, & Marty Suarez
- VAg, Inc
Pedro Campos
- American Civil Constructors (Berm Presentation)
Randy Maher, Executive VP
Grant Johns, Project Manager
- Property Owners
Marc Watson
John O'Brien
Ted Leach
Rob Mellman
Kim Tofferi

Call to Order

The Meeting of the Board of Directors of Cordillera Valley Club Metropolitan District was called to order by the Chairman, noting a quorum was present. The meeting was held in joint session with the

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Board of Directors of the Cordillera Valley Club Property Owners Association.

Potential Conflicts Of Interest

Director Judge reported that he is the owner of VAg. Inc., an architectural and land planning firm, and other related entities, and these entities are actively involved with and/or have been hired for fee by SRG Properties, the owners of the Edwards Overlook Project. SRG Properties is negotiating with the U.S. Forest Service to trade the Edwards Overlook parcel to the Forest Service in exchange for land adjacent to Cordillera Valley Club. SRG Properties is also negotiating with CVC Metro District and the CVC Property Owners Association for possible inclusion of the land to be received from the Forest Service into the District and the Association. VAg, Inc. also provides other services to the District such as landscape and berm architecture, master planning, project oversight, construction management and the management of the POA governed Design Review Board. Director Judge's provision of these services to the owners of the Edwards Overlook Project and the provision of services to the District and to the Cordillera Valley Club Property Owners Association could constitute a potential conflict of interest. Accordingly, Director Judge reported his intent to only present information on the Edwards Overlook Project when requested or scheduled and to abstain from all votes on this matter unless his vote is needed for a quorum on the issue to be decided. The Board noted, for the record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Changes to Agenda

The Board reviewed the agenda and no changes were made.

Minutes

The Board reviewed the Regular Meeting Minutes of November 9, 2006. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Regular Meeting Minutes of November 14, 2006 as presented.

Public Input

Mr. Marc Watson expressed his concern concerning the potential conflict of interest in regards to Director Judge (a director on the Metro District Board) and VAg, Inc. and any other board member that may have a conflict. Mr. Watson recommended the annual audit report include a foot note stating the conflict and the amount paid to the contractor. Director Carey advised Mr. Watson that the Board shares Mr. Watson's concern

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that potential conflicts of interest be fully disclosed and that the Board would continue to make a concerted effort to disclose potential conflicts in minutes, audit reports, etc.

Mr. Watson also requested that participation in all Board meetings be made available to any interested member of the community by speaker phone. Mr. Watson further suggested that one of the Board seats be held by someone who is not a full time resident in the community. The Board indicated they would make future Board meetings available by speaker phone and also advised Mr. Watson that although there may be logistical issues with a Board member who is not a full time resident of the community, they were receptive to the request that one of the Board seats be held by someone who is not be a full resident of the community. The Board asked Mr. Watson if he would be interested in serving in this capacity or if not, to please nominate someone to serve in this capacity.

Sound Mitigation and Landscape Project Update

Mr. Campos gave an update regarding the sound mitigation and landscape project and the PUD amendment process. VAg has been consulting with American Civil Constructors (ACC) related to construction of the project. ACC gave a brief presentation regarding their construction experience in Colorado and specifically in mountain communities in Colorado. They have prepared a preliminary cost estimate of \$2,929,050.54 in direct construction costs to construct the project based on the revised plans. With contingencies they are recommending an estimated direct construction cost of the project of \$3.5 million. This estimate is based on obtaining free dirt delivered to the site. ACC is currently the contractor on the Front Door project in Vail and that project along with other Vail projects need to export large quantities of dirt. ACC's plan is to enter into agreements with these projects for the free dirt. ACC can enter into the contracts for dirt as soon as CVC has entered into a contract with them to construct the berm.

Director Marcin requested a timeline for the project and raised specific questions related to ACC's pricing proposal. Mr. Campos distributed a copy of ACC's pricing detail and the Board requested that Director Marcin meet directly with Mr. Campos and ACC to obtain answers to his questions.

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The Board requested that Mr. Marcin submit a proposal to provide construction management for the berm project as redesigned.

Mr. Campos indicated he would bring a timeline for the PUD amendment, entering into the construction contract with ACC and constructing the berm to the member meeting on the 28th.

Accounts Payable

The Board reviewed the accounts payable listing. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable as presented.

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 regular meeting of the Cordillera Valley Club Metropolitan District Board of Directors this 14th day of December 2006.

Respectfully submitted,

Chrissy Laabs By Ken Marchetti

Chrissy Laabs

Secretary for the meeting