

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
MOUNT VERNON COUNTRY CLUB CORPORATION

BOARDS OF DIRECTORS REGULAR MEETINGS
FEBRUARY 18, 2021

The Boards of Directors of Mount Vernon Country Club Metropolitan District and MVCC Corporation held their monthly Regular Meetings by telephonic meeting on Thursday, February 18, 2021.

The meeting was called to order by president Tom Weimer at 7:00 p.m.

Record of Attendance: Board members Charlotte Abel, Walter Crawford, Andrew Price and John Stringer participated via Zoom. Sue Blair of CRS, General Manager John Stebbins, MVCC Metro District Water Attorney David Hayes, and Secretary Gail McGowan also participated via Zoom. Electronically present for all or part of the meeting were Proprietary Members Ken Freienmuth, Eric Grossman, Jon Hassinger, Andy Hix, Kristin Kilbourn, Page Lambert, Bill McFarlane, David Peck, Jeff/Kitty Richie, Dick/Cheryl Shaw, Esther Turner, Scott Valent, and James Wood.

MVCC Metro District Business

Approval of Minutes

Upon motion duly made by Walter Crawford, seconded, and approved by a vote of 5-0, THE MINUTES OF THE MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT and CORPORATION BOARDS OF DIRECTORS' REGULAR MEETINGS OF JANUARY 21, 2021 WERE APPROVED, AS WRITTEN.

Water Decree and Potential Future Development

The Metro District's Water Attorney, David Hayes of the firm of Hayes Poznanovic & Korver, was introduced and asked to comment on what water might be available within the construct of the existing 1984 Water Decree and water rights that could support a potential development on an approximately 10-acre parcel associated with the Clubhouse. He noted that the "augmentation plan" is based on a specific development and build-out scenario, up to 120 single-family homes and the Clubhouse/pool/tennis facilities, with very limited room within the Decree to support much additional development within the District boundaries. He recommended against folding any new development into the existing Decree; rather to have any development be self-sustaining from a water-supply standpoint.

Conservation Easement – Custer Wash

Many different paths to establishing a conservation easement ("CE") with sellable tax credits on the Custer Wash property have been explored, some more difficult to accomplish, some more time consuming, and some more expensive. The Board decided to put on hold the application for a CE until the success or failure of proposed State legislation that would greatly simplify Mount Vernon's CE transaction is known.

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It has been confirmed with the Colorado Department of Local Affairs (“DOLA”) that expenses incurred for conservation easements are an allowable use of Conservation Trust Fund monies. The Board approved of this Fund’s being committed to the CE, in addition to identifying other funding sources (Colorado Open Lands’ low-interest loan, grants, etc.).

Since earlier information that was provided to the community is now outdated, James Wood will set up community outreach meetings to provide opportunities for resident discussion and questions on all the new possible approaches.

Financial Reports

Mount Vernon Canyon Club: With its Five-Star COVID-19 safety rating, Mount Vernon is now able to operate at Level Yellow, allowing up to 50 guests in the Main Dining Room and Canyon Room. The Food and Beverage Department operated at a net loss in January, an historically expected negative result almost totally offset by net revenue from other Clubhouse operations. Membership sales and bookings for weddings and other events are currently strong for 2021.

Clubhouse Gated Access

The Board approved the installation of a gate between the Rowell property and the Clubhouse to limit access from the Rowell property. Until the Rowell house is sold, the gate will remain unlocked and temporary access by Realtors and potential buyers will be allowed.

Metro District: The February 12, 2021 Cash Position Summary, and January 31, 2021 Combined Balance Sheet, *Statements of Revenues, Expenditures and Change in Fund Balance* for all funds, and delinquent-account reports were reviewed with the Board.

Payment of Claims: Vendor claims were presented for review and ratification.

Upon motion duly made by Walter Crawford, seconded, and approved by a vote of 5-0, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT ACCEPTED AND RATIFIED THE PAYMENT OF CLAIMS TOTALING \$83,556.35 COMBINED METRO DISTRICT AND CANYON CLUB FOR THE PERIOD DECEMBER 8 TO DECEMBER 31, 2020; \$77,225.73 CANYON CLUB FOR THE PERIOD JANUARY 19 TO FEBRUARY 16, 2021; AND \$29,843.05 METRO DISTRICT FOR FEBRUARY 9, 2021.

FPC Report

The FPC will look at long-term capital plans for, first the Metro District (water, roads) and then the Clubhouse Enterprise.

District Operations

Land Sales Update

The sale of Lot 2, Range View Trail, is scheduled to close on March 8, 2021.

Upon motion duly made by Walter Crawford, seconded, and approved by a vote of 5/0, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT AUTHORIZES BOARD PRESIDENT R. THOMAS WEIMER TO ACCEPT THE PURCHASE OFFER ON LOT 2 RANGE VIEW TRAIL, AND TO TAKE ALL ACTIONS NECESSARY TO CLOSE ON THE SALE AND DISTRIBUTE FUNDS.

Water System Update

The Chair of the Water Committee reported that there is a pinhole leak in the Tower Hill tank and that ORC was looking for a used replacement tank; a break in the discharge line of one of the large pumps in the treated water tank down in Bear Creek; and that CDPHE has notified the Metro District that it is doing away with some of the older permits and will terminate the “general permit” on the wastewater facility. District and CDPHE representatives will meet to discuss options and costs. It was suggested that the District get on the Colorado Power Authority’s list for a low-interest State Revolving Fund loan.

Metro District-Owned Houses

Bill McFarlane acknowledged and expressed appreciation to the many volunteers who were responsible for completing the needed work and financing the costs of the renovation of the Aspen Way house.

At its January 21, 2021 meeting, the Board approved of amending the *ADVANCE AND REIMBURSEMENT AGREEMENT* to pay principal and interest annually, rather than monthly, to “Investors” who had provided the funding for renovations to the Aspen Way property.

Upon motion duly made by John Stringer, seconded, and approved by a vote of 5-0, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT APPROVED, AS TO FORM, THE *FIRST AMENDMENT TO ADVANCE AND REIMBURSEMENT AGREEMENT FOR REPAIR AND MAINTENANCE COSTS* ATTACHED HERETO AND MADE PART OF THESE MINUTES AS EXHIBIT A. EACH “INVESTOR” WILL BE ASKED TO VOLUNTARILY ACCEPT AND EXECUTE THE AMENDMENT.

General Services

The General Services Committee suggested that GS staff and/or volunteers be permitted to assist motorists needing help on District roads. Before help is given, drivers will be required to 1) sign a waiver form; or 2) seek assistance from another contractor.

GS is looking at replacing the sand/plow truck with a smaller, more versatile truck that will do a comparable job much more cheaply, simply and reliably.

Road and culvert repairs will commence again in spring. The Board approved the Committee’s request for money to stockpile road base materials.

Upon motion duly made by John Stringer, seconded, and approved by a vote of 5-0, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB

METROPOLITAN DISTRICT APPROVED AN EXPENDITURE OF UP TO \$10,000 FROM THE TRANSPORTATION FUND TO STOCKPILE ROAD BASE IN ANTICIPATION OF NEEDED ROAD REPAIRS IN SPRING.

The GS Committee Chair expressed the Committee's desire to take on more responsibility, and will work with the General Manager to establish procedures for working directly with GS employees to make project management, follow-up, and accountability more efficient.

Accessory Dwelling Units

A number of homeowners in Mount Vernon are renting parts of their residences to non-family members in non-compliance with the Club's existing Bylaws and, possibly, Jefferson County regulations regarding Accessory Dwelling Units. The Board agreed to allow these continuing uses, but referred the MVCC Corporation Bylaws relating to *Supplementary Dwellings* (§7.12) and *Tenants and Guests; Prohibition Against Second Resident Families* (§8.1-8.6) to the Real Estate Committee for policy review and possible recommendations for changes to the Board.

March Board Meeting

The next regular meeting of the District and Corporation Boards is scheduled for Thursday, March 18, 2021 at 7:00 p.m.

The Board recessed to the Mount Vernon Country Club Corporation meeting.

Mount Vernon Country Club Corporation

Community Calendar

The Board approved a proposal received from Barbara Crawford to create a Mount Vernon 12-month wall calendar using photos submitted by community members.

The Regular Meeting of Mount Vernon Country Club Metropolitan District was reconvened.

Mount Vernon Country Club Metropolitan District

Board Letter

A Board Letter will be prepared and will include financial and membership updates; land sales update; conservation easement information; and 2021 Board meeting dates.

Regular Meeting Recessed

The Regular Meeting of the Board of Directors of Mount Vernon Country Club Metropolitan District was recessed to Executive Session at 9:45 p.m.

Executive Session

By motion duly made by John Stringer, seconded and unanimously affirmed by the Board Members present at the regular meeting of the Board of Directors of Mount Vernon Country Club Metropolitan District on FEBRUARY 18, 2021, AN EXECUTIVE

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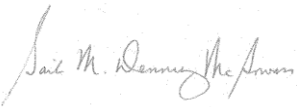
SESSION IS CALLED PURSUANT TO §24-6-402(4)(a), C.R.S. FOR THE PURPOSE OF DISCUSSING POSSIBLE NEGOTIATIONS WITH A CONSULTING BROKER ABOUT CONTRACT OPTIONS FOR THE SALE, LEASE OR OTHER TRANSFER OF THE DISTRICT'S INTEREST IN THE CLUBHOUSE/RECREATION FACILITIES.

Regular Meeting Reconvened

The Regular Meeting of the Board of Directors of Mount Vernon Country Club Metropolitan District was reconvened.

There being no further business to come before the Board, the meeting was adjourned at 10:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail M. McGowan". The signature is written in dark ink on a light-colored background.

Gail M. McGowan, Secretary

EXHIBIT A

**FIRST AMENDMENT TO
ADVANCE AND REIMBURSEMENT AGREEMENT
FOR REPAIR AND MAINTENANCE COSTS**

This **FIRST AMENDMENT TO ADVANCE AND REIMBURSEMENT AGREEMENT FOR REPAIR AND MAINTENANCE COSTS** (this “Amendment”) is entered into as of _____, 2021 (the “Effective Date”) by and between MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and _____ (the “Participant”). The District and the Participant are individually referred to herein as a “Party” and collectively referred to herein as the “Parties.”

WHEREAS, the Parties entered into that certain Advance and Reimbursement Agreement for Repair and Maintenance Costs dated _____, 2020 (the “Original Agreement”).

WHEREAS, the Parties wish to amend the reimbursement payment schedule under the Original Agreement, as described herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Reimbursement. The following sentence in Section 3 of the Original Agreement is amended to delete the stricken text and to add the underlined text, as follows:

When rental income on the Residence is received by the District, 5% will be deposited in the District’s General Services House Reserve account and the remainder will be divided evenly between the Participant and any other participants who have entered into separate Advance and Reimbursement Agreements with the District for the same purpose as set forth herein and have outstanding advances, and paid to each of them ~~within forty five (45) days of receiving such rental income~~ in one lump sum, annual payment on or before December 31 of each year until the Advances, plus interest, are paid in full.

2. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Original Agreement.

3. No Other Modifications. Except as expressly set forth herein, no other terms or conditions of the Original Agreement are modified or amended by this Amendment.

3. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed and delivered as of the date first written above.

MOUNT VERNON COUNTRY CLUB
METROPOLITAN DISTRICT

President

ATTEST:

Secretary

PARTICIPANT

Signature

Name