

Grand Junction Rural Fire Protection District

Minutes of the Special Board Meeting

February 8, 2005

I. CALL TO ORDER

The meeting was held in the Mesa Mall Community Room, 2424 US Hwy. 6 & 50 and was called to order by Vice-president Vicki Felmlee at 6:30 p.m.

II. ROLL CALL – Board Members

Vicki Felmlee, Vice President; Bob McCormick, Treasurer and Deborah Davis, Secretary were present. President Steve Grant and Board Member Tery Dixon were not in attendance.

Others Present: Public; Larry Beckner, Attorney; Media and Rhonda Phillips, Scribe.

III. APPROVAL OF AGENDA

Deborah Davis requested that items be added to the agenda. The new agenda will read as follows:

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment
5. Resignation of Board Member
6. Forbearance Agreement with e.NVIZION
7. Authorization to execute tolling agreements
8. Adjourn

Bob McCormick made a motion to accept the agenda as amended. Deborah Davis seconded the motion. Roll Call. All Ayes. Motion carried.

IV. PUBLIC COMMENT

There was no public comment.

V. RESIGNATION OF BOARD MEMBER

Tery Dixon tendered her resignation effective February 2, 2005. Larry Beckner provided the board with a copy of her resignation letter. He explained that the board does not have to take any action at this time. The board is not required to accept or reject her resignation, it is simply an acknowledgment of the resignation. Bob McCormick made the comment that Tery Dixon was always very helpful and willing to provide information to help the board with learning the history of the past board. He reported that since he and Steve Grant have been on the board with Tery she has been very cooperative with the needs of the board.

Vicki Felmlee proposed that the board advertise the open board position in the local newspapers and on the website and should be placed towards the end February with an application deadline in mid March. This would give the board time to review all applications and to prepare for interviews to take place at the regular meeting in March. The board gave a general consensus to

place the ads. Vicki will take care of placing the ads in the newspapers and posting on the website.

VI. FOREBEARANCE AGREEMENT WITH e.NVIZION

Larry Beckner reported that the forbearance agreement with e.NVIZION expired in December. All payments in 2004 were made on time and were made from Richard Bruno's trust account. Larry drafted a 1st amendment to the original forbearance agreement. The amendment outlines additional payments to be made to the district. Larry provided a schedule of payments to all board members. He explained that e.NVIZION would pay \$20,000 per month beginning January 31, 2005 through March 31, 2005. The payments would then increase to \$25,000 per month beginning April 30, 2005 through August 31, 2005. The payments would increase again to \$40,000 per month beginning September 30, 2005 through December 31, 2005. An increase to \$50,000 would begin on January 31, 2006 through October 31, 2006 with a final payment of \$12,637.80 to be made on November 3, 2006. These payments include accrued interest. The overall nature of the forbearance agreement will remain the same but will reflect the new payment schedule.

Larry Beckner explained that there is a statute of limitations on any claim. He explained that the statute of limitation on the case with e.NVIZION began around mid March of last year when the board and the public realized the nature of the investments. If the district has any fraud claims against e.NVIZION, those claims must be filed before March 1st, 2005. A portion of the forbearance agreement is a toll, or stop, to the statute of limitations. It would become effective as of the date it is signed. If e.NVIZION violates the terms of the agreement and doesn't make scheduled payments, the time from the missed payment is when the statute of limitations begins to run again.

Originally there was to be a security interest filed against the New York property by mid October. It was not done. Larry recommended that if the board agrees with the terms of the forbearance agreement, that they sign the agreement with an additional signing stating that if the collateral mortgage agreement is not recorded by this Friday, and proof of such is received, the forbearance agreement will not be valid.

There are two people that are principals at e.NVIZION. One is named Randy Phillips, the president and founder of e.NVIZION. Mr. Phillips is the person who had the primary discussion with Rob Dixon regarding the investment and putting together the investment. It is Larry's opinion that there is liability under the statute for the investment of public funds on the part of Mr. Phillips for failing to properly invest the funds from the district. Larry also reported that the attorney for e.NVIZION, Richard Bruno, may also carry liability in the investment. Larry recommends that the statute of limitations be tolled for Mr. Phillips and Mr. Bruno. Mr. Phillips and Mr. Bruno both stated that they do not believe that they carry personal liability for the investment but they agreed to sign a tolling agreement to stop the statute of limitation on themselves.

If there is a default of the payments from e.NVIZION, the district will give Mr. Phillips and Mr. Bruno notice of the default and then they have 45 days in which to cure the default. During that period of time the statute of limitations would still uphold. Larry provided the board with copies the forbearance agreement and the tolling agreement that was drafted by Larry Beckner.

Deborah Davis made a motion to accept the new forbearance agreement as presented and also the tolling agreement for Randy Phillips and Richard Bruno and accept the repayment schedule per the calculations that were presented at the meeting. This is a conditional acceptance on the filing of the collateral mortgage no later than Friday, February 11, 2005 as well as authorize Vicki

Felmlee to have signature authority on documents in Steve Grant's absence. Bob McCormick seconded the motion. Roll Call. All Ayes. Motion carried.

VII. AUTHORIZATION TO EXECUTE TOLLING AGREEMENTS

Bob McCormick made a statement that he is not in favor of making a list public of potential defendants who may or may not ever be filed against. Larry Beckner stated that that was a decision to be made by the board. Larry will provide the board with a potential list of future defendants.

Bob McCormick made a motion to authorize Larry Beckner to execute tolling agreements with any potential defendants in the matter related to the e.NVIZION investments and authorizes Vicki Felmlee to sign in the absence of Steve Grant. Deborah Davis seconded the motion. Roll Call. All Ayes. Motion carried.

VIII. ADJOURN

Bob McCormick made a motion to adjourn the special meeting of the board of directors. Deborah Davis seconded the motion. The next regular meeting will be held on February 22, 2005 at 6:30 p.m. in the community room at the Mesa Mall. The meeting adjourned at 7:45 p.m.

APPROVED AND ADOPTED THIS _____ DAY OF _____, 2005.

Stephen P. Grant, President

Attest: _____
Deborah Davis, Secretary