RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting of the Boards of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8 February 2, 2011

A Joint Special Meeting of the Boards of Directors of the Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8, Town of Granby, Grand County, Colorado, was held at the Grange Hall at Granby Ranch, 998 Village Road, Town of Granby, Grand County, Colorado, in accordance with State law.

Attendance

The following Directors were present and acting:

- Kyle Harris
- Julie Krueger
- Marylane Packer
- Lance Badger
- Vacancy

Also in attendance were:

- Eric Weaver, Robertson & Marchetti, P.C., Secretary for the Meeting (via phone)
- Clint Waldron, White, Bear & Ankele P.C. (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Sandra Clinger, homeowner (via phone)
- Bill and Kathy Lapham, homeowners

Call to Order and Declaration of Quorum

The Joint Meeting of the Boards of Directors of the Headwaters Metropolitan District (HWMD) and Granby Ranch Metropolitan District Nos. 2 & 8 (GRMD Nos. 2 & 8) was called to order by Director Harris on February 2, 2011 at 10:00 a.m. noting a quorum was present for each of the respective Boards.

Disclosure of Potential Conflicts of Interest

The directors reviewed the agenda for the meeting, following which each director confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Boards noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Consideration of Agenda

No changes were made to the agenda.

Consent Agenda

The items on the consent agenda were:

a. Accounts Payable lists
b. Ratify IGA between SIPA and HW- website
c. Ratify Independent Contractor Agreement between Overlook Sand & Gravel and HW
d. Ratify Third Addendum to Const Funding & Reimbursement Agreement

By motion duly made and seconded it was unanimously

> **RESOLVED** to approve and ratify all items on the consent agenda.

November 10, 2010 Joint Meeting Minutes

By motion duly made and seconded it was unanimously

> **RESOLVED** to approve the November 10, 2010 minutes as provided.

Executive Session

The Board determined that an Executive Session was not necessary.

Middle Park Medical Center Capital Facility Fee

Director Harris reported the Middle Park Medical Facility is under construction. The medical center has calculated the number of capital facilities fees that are to be paid differently than how he feels it should be calculated. The Board discussed the fee and the calculation and agreed with Director Harris. Upon motion duly made and seconded, it was unanimously

> **RESOLVED** to impose a Capital Facility Fee for office and medical center space as defined on Exhibit B for a total of 18.95 SFE with a fee of $118,557.

Financial Statements

After review and upon motion duly made and seconded it was unanimously

> **RESOLVED** to approve the preliminary December 31, 2010 financial statements.

RMPC Engagement Letters

Mr. Weaver referred to the RMPC Engagement Letters included in the packet. He explained there is a new accounting requirement that a written engagement letter be used for compiled financial statements. None of the services provided by RMPC will change. Mr. Waldron asked that the standard paragraph related to the hiring of illegal aliens be added. Upon motion duly made and seconded, it was unanimously

> **RESOLVED** to approve the RMPC Engagement Letters for the Districts as revised by Mr. Waldron.

Public Comment

Ms. Clinger asked about the reserves that are required of the Districts. Mr. Weaver explained that the only required reserve is the 3% emergency reserve required by TABOR.

Adjournment

Upon motion duly made and seconded, it was unanimously

> **RESOLVED** to adjourn the joint meeting of the Headwaters and Granby Ranch Metropolitan District Nos. 2 & 8 this 2nd day of February, 2011.

Respectfully submitted,

Eric Weaver
Secretary for the Meeting