
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Granby Ranch Metropolitan District July 15, 2015

The Regular Meeting of the Board of Directors of the Granby Ranch Metropolitan District, Town of Granby, Grand County, Colorado, was held at the Ranch 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
- Lance Badger
- Julie Krueger
- Jay Gleason (via phone)

Also in attendance were:

- Clint Waldron, White Bear Ankele Tanaka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver LLC (via phone)
- Rick Gonzales, Marchetti & Weaver LLC (via phone)
- Kathy Lewensten, Marchetti & Weaver LLC (via phone)
- Marise Cipriani, Granby Realty Holdings
- Marylane Packer, Granby Realty Holdings
- Rusty Thompson, Granby Realty Holdings

Call to Order The Regular Meeting of the Board of Directors of the Granby Ranch Metropolitan District was called to order by Director Harris on July 15, 2015 at 11:00 a.m. noting a quorum was present.

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 Board 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 Board 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.

Minutes

The Board reviewed the minutes of the meeting held on October 22, 2014. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the October 22, 2014 Special Meeting Minutes as presented.

Bond Refinancing Mr. Weaver began discussion regarding the 2006 bond refinancing. He reported after discussions with bond professionals a direct placement appears to be the best option at this time. A direct placement generally has a shorter term with a more favorable interest rate. A bond issue would likely have a higher interest rate which would result in lower overall savings to the District. One point needing further evaluation is how the interest rate adjusts at the end of the original term of a direct placement.

Director Harris stated another consideration during the refinancing process should be long term funding for operations costs. He mentioned an operations fee had been contemplated as the funding source for operations at one point. The lack of capital reserves and the dependency of the Districts on the developer's willingness to contribute operations funding are not in the Districts best interest. Ms. Cipriani stated although the developer has been willing to contribute towards the operations costs over the last few years, they were not interested in continuing indefinitely and would like to see the operations become self sufficient in the near future. Discussion followed regarding funding alternatives. Mr. Waldron explained the District would need to request a service plan amendment from the Town of Granby to increase the mill levy if that alternative was chosen. After discussion it was suggested the request for refinancing proposals ask for two options for consideration, one working within the existing service plan and mill levy, the other with both a debt service and operations mill levy.

Ms. Cipriani stated the developer is willing to consider matching the interest rate on the 2010 subordinate bonds to the final interest rate obtained in the refinancing. The Board thanked Ms. Cipriani for considering this offer.

Mr. Weaver reviewed the responses to the Underwriter/Placement Agent RFP. After review, upon motion duly made and seconded, it was unanimously

RESOLVED to accept Piper Jaffray's proposal based on a .50% fee as placement agent or .70% fee as underwriter for a non rated bond.

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When asked, Director Gleason (who was attending by phone) responded he was in favor of the motion.

The timeline for engaging bond professionals such as bond counsel was reviewed. In the interest of keeping the process moving forward expeditiously the Board appointed a committee of Directors Badger and Gleason to work with Mr. Weaver and Mr. Thompson on refinancing details. Upon motion duly made and seconded, it was unanimously

RESOLVED to establish a refinancing committee of Directors Badger and Gleason, and

FURTHER RESOLVED to authorize the committee to select and engage bond counsel from responses to an RFP.

When asked, Director Gleason (who was attending by phone) responded he was in favor of the motion.

Executive Session

The Board determined an executive session was not necessary.

2014 Audit

Mr. Weaver presented the 2014 preliminary audit. He explained the draft included in the packet was substantially in final form. He noted the District will receive an unqualified or “clean” opinion. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the 2014 audit of the Granby Ranch Metropolitan District, subject to final review.

When asked, Director Gleason (who was attending by phone) responded he was in favor of the motion.

Financial

Mr. Weaver reviewed the May 2015 preliminary financial statements. He noted a draw was made from the bond surplus fund to make the June interest payment explaining this had been budgeted for. He reviewed the anticipated details of a potential refinancing on fund balances and mill levies. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the preliminary May 2015 financial statements.

Public Input

No public input was offered.

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Future Meetings The Board discussed scheduling a special meeting in August to review progress or documents related to the bond refinancing. After discussion a special meeting was scheduled for Wednesday, August 26, 2015 at 10:00 a.m. in the same location.

Adjournment Upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Regular Meeting of the Granby Ranch Metropolitan District this 15th day of July 2015.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the Meeting