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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors of Headwaters Metropolitan District February 19, 2014

The Regular Meeting of the Board of Directors of the Headwaters 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
- Julie Krueger (via phone)
- Marylane Packer
- Lance Badger

Also in attendance were:

- Clint Waldron, Esq. White, Bear and Ankele, PC (via phone)
- Eric Weaver, Robertson & Marchetti, P.C. (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Marise Cipriani, Granby Realty Holdings
- Bruno Cipriani, Icyyard7, LLC
- Tina Shearon, REMAX
- Rusty Thompson, Granby Realty Holdings

### **Call to Order and Declaration of Quorum**

The Meeting of the Board of Directors of the Headwaters Metropolitan District (HWMD) was called to order by Director Harris at 10:00 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. Director Krueger stated for the record that she had a working relationship with Icyyard 7 LLC and would be recusing herself from any discussions or decisions on matters related to Icyyard 7 LLC. 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.

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### Consideration of Agenda

Several additional items were added to the consent agenda for ratification. They included a change order with Overlook Mine LLC for \$9,732.62 related to Filing 6 road reconstruction; an independent contractor agreement with Premier Earthworks for work to be done in 2014; and a contract addendum with Premier related to emergency repairs. Director Harris added a new item for discussion related to the Silver Star condominiums amenity fees.

### Consent Agenda

The items on the consent agenda were:

- Approval of Accounts Payable
- Ratify Independent Contractor Agreement – Premier Earthworks and Infrastructure Inc.
- Ratify Contract Addendum – Overlook Mine LLC
- Ratify Change Order – Overlook Mine LLC

The Board considered a motion to approve the consent items with the additions noted. By motion duly made and seconded it was unanimously

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

Director Harris asked Director Krueger (who was attending by phone) for her position on the motion. She responded she was in favor of the motion.

### Minutes

The Board reviewed the minutes of the October 17, 2013 Special Joint Meeting. Several revisions were noted. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the October 17, 2013 minutes as revised.

Director Harris asked Director Krueger (who was attending by phone) for her position on the motion. She responded she was in favor of the motion.

### Notice Posting

Mr. Waldron reviewed the posting notice resolution included in the packet. The location will remain the Kiosk at the intersection of County Road 894 and Ten Mile Road. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution Designating the District's 24-hour Posting Location.

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### **White Bear and Ankele**

**Engagement Letter** Mr. Waldron reviewed the revised engagement letter with White Bear and Ankele with the Board. He advised the Board that as he was not independent, they may want to engage independent counsel to review the letter and advise the Board on the terms of the engagement. The letter did include revisions related to arbitration in the case of a dispute. Director Krueger asked the time noted in item 6 for record retention be extended to ninety days. Mr. Waldron agreed to this change. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Engagement Letter with White Bear and Ankele, PC as revised.

Director Harris asked Director Krueger (who was attending by phone) for her position on the motion. She responded she was in favor of the motion.

### **Executive Session**

The Board determined that an Executive Session was not necessary.

### **Other Business**

**Icyyard 7 LLC:** Mr. Bruno Cipriani requested designation as a “qualified builder” within the District. In support of his request he provided a power point presentation highlighting the company’s history, other projects and capabilities. Director Harris explained a “qualified builder” was not required to submit amenity fees until the finished project is sold to an end user. After the presentation and discussion the Board concurred Icyyard 7 LLC met the definition. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve Icyyard 7 LLC’s request to be designated a “qualified builder” as defined in the Amended and Restated Amenity Agreement.

Director Harris asked Director Krueger (who was attending by phone) for her position on the motion. She responded she was recusing herself due to a working relationship with the company.

**Silver Star Condo’s:** Director Harris opened discussion related to amenity fee matters as they relate to the Silver Star condominiums. The condominiums are in an unusual position as due to timing issues they are not under the provisions in the updated District amenity agreement. He noted it may be in the parties’ best interest to include them under the

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updated provisions. He stated no request has been received from the Silver Star condominiums, explaining this was an informational matter at this point. Ms. Shearon requested an outline of the differences. Director Krueger offered to work with her. Director Harris requested permission to negotiate terms related to the Amenity Fee for the Silver Star condominiums if such a request is received prior to the next District meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to authorize a committee of Director Harris and Director Krueger to negotiate and finalize matters related to the Amenity Fee at the Silver Star condominiums.

Director Harris asked Director Krueger (who was attending by phone) for her position on the motion. She responded she was in favor of the motion.

### **Financial Statements**

Mr. Weaver presented the preliminary December 2013 financial statements for HWMD. Director Harris noted the filing 8 project budgeted for in 2014 has been delayed. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the preliminary December 2013 financial statements.

### **Future Meetings**

The next regular meeting is scheduled for Wednesday, May 21, 2014 at the same time and location.

### **Public Comment**

No public comment was offered.

### **Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the meeting of the Headwaters Metropolitan District this 19th day of February, 2014.

Respectfully submitted,  
*/s/ Kathy Lewensten*

Kathy Lewensten  
Secretary for the Meeting