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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors of Headwaters Metropolitan District September 24, 2014

The Special 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
- Marylane Packer
- Lance Badger

Also in attendance were:

- Clint Waldron, Esq. White, Bear and Ankele, PC (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Raymond Watson, Premier Real Estate
- Rhonda Watson, Premier Real Estate
- Bob Junker, Watson Premier Real Estate
- Dominique Luzinski, Consolidated Building Services, LLC
- John O'Neill, Consolidated Building Services, LLC
- Gary Pierce – GLP Consulting Group

### **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. 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

No changes were made to the agenda.

## New Business

**Qualified Builder Request:** Director Harris stated a Joint Venture (JV) between Altitude Homes Development, LLC and Consolidated Building Services, LLC (CSB) was requesting consideration for qualified builder status. Summary information had been provided to the Board prior to today's meeting.

Mr. Domonique Luzinski, Mr. Raymond Watson and Mr. Jon O'Neil introduced themselves to the Board. They presented background information on the companies that comprise the joint venture. They shared their experience along with examples of projects they have completed outside of the District. They were requesting status as a qualified builder to facilitate the delay in the payment of the amenity fee on lots owned by the JV until sold to the final property owner. The JV Agreement is expected to be finalized in the next week. They offered to provide a draft to the District for review and comment. The representatives explained if the JV were to dissolve the amenity fee would become due and payable.

Director Harris wanted it to be clear a qualified builder is expected to provide vertical product. The representatives agreed they were not planning on being in the land business. They explained they did not anticipate selling vacant lots, stating they would ask the District for approval of the sale of a vacant lot if such a situation arose.

Director Badger asked the estimated timeline. Mr. O'Neil responded it was anticipated planning and blueprints would be done over the winter to allow groundbreaking in the spring.

After further discussion the Board moved to allow the designation of the JV as a Qualified Builder. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Joint Venture between Altitude Homes Development, LLC and Consolidate Building Services, LLC as a Qualified Builder whose primary purpose will be for residential building with the understanding that as long as the JV is intact the amenity fee collection is delayed until sold to a private owner, however if the JV is dissolved the amenity fee becomes due

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and payable for any unsold lots, as described in the JV agreement which is subject to review by District counsel.

**Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the meeting of the Headwaters Metropolitan District this 24th day of September, 2014.

Respectfully submitted,

*/s/ Kathy Lewensten*

Kathy Lewensten  
Secretary for the Meeting