
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 July 17, 2013

The Joint Special Meeting of the Boards of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8, 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)
- Eric Weaver, Robertson & Marchetti, P.C. (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Shelly Gochis, Comcast

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 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 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

Director Harris moved the Comcast Road Excavation Permit out of the consent agenda to other business.

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- Consent Agenda** The items on the consent agenda were:
- Approval of Accounts Payable
 - Ratify Independent Contractor Agreements as listed

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

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

- Minutes** The Boards reviewed the minutes of May 15, 2013. Several minor revisions were discussed. By motion duly made and seconded it was unanimously

RESOLVED to approve the May 15, 2013 minutes as revised.

**Amended and Restated
Amenity Fee
Resolution**

The Boards reviewed the Amended and Restated Joint Resolution regarding the amenity fee which had been included in the packet. The Amended and Restated Resolution clarifies the timing of the amenity fee payment; removes the prior sunset provision of three years; defines who is responsible for paying the fee; and defines revised benefits. As stated in the Amended and Restated resolution there are properties that will be entitled to benefits as set forth in the Original Amenity Fee Resolution. Director Harris explained the long term sustainability of the amenities is the primary concern and the main reason for the revisions. These revisions are expected to benefit the District by encouraging development. Legal descriptions related to the Exhibits are currently being drafted. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Amended and Restated Joint Resolution to Establish An Amenity Fee subject to final review by legal counsel.

**CO Community Bank
Request**

The Boards referred to the letter sent by Colorado Community Banks (CCB) requesting an exemption from the amenity fees related to 29 lots owned by the bank. CCB expressed concern the fees would be due upon sale of the properties causing a drastic reduction in the price of the lots. Director Harris pointed out no exemption has ever been given related to the amenity fee. The Board agreed an exemption should not be granted.

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The Amended and Restated Joint Resolution should mitigate CCB's concerns as the fee would not be due if the lots were sold to a qualified builder. If the lot were sold to an end user the fee would be due. White Bear and Ankele will draft a response to CCB noting the Board intends to be consistent with provisions as set forth in the Amended and Restated Joint Resolution. Upon motion duly made and seconded, it was unanimously

RESOLVED to direct White Bear and Ankele to draft a response to CCB as discussed.

Amended and Restated Amenity Fee Agreement With GRH

Director Harris stated this agreement ties to the above resolution. The agreement matches the provisions in the resolution approved above. He pointed out it will encumber certain property within Granby Ranch owned by the Developer with the amenity fee. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Amended and Restated Amenity Fee Agreement with GRH subject to final legal review.

Comcast Road Excavation Permit

Director Harris explained Comcast needs a Permit for Excavation to provide service to additional area's within the District. Comcast had submitted a rough draft of the installation. They need to bore under the roadway to install additional cable. It is expected the installation will only take one day. The permit provides the District recourse if damages occur during installation. Director Badger explained he had requested more detailed information and completion of the permit with payment of the related fee from Comcast. Ms. Gochis stated the original documents will be provided along with a check. Upon motion duly made and seconded, it was unanimously

RESOLVED by Headwaters Metropolitan District to approve the Permit for Excavation for Comcast subject to receipt of the original documents and payment of the fee.

Second Amendment to Construction Funding and Reimbursement Agreement

As directed at the last meeting, Mr. Waldron drafted the Second Amendment to Construction Funding and Reimbursement Agreement for consideration at today's meeting. The revision will allow HWMD to

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annually request a maximum or not to exceed amount that can be requested and provided as necessary. This will streamline the process to make it more efficient. HWMD will prepare a budget annually and provide it to the developer for comment as part of the budget process. The Developer will then have the option of agreeing to fund up to a maximum amount based on the budget. The term of the agreement is five years. Upon motion duly made and seconded, it was unanimously

RESOLVED by Headwaters Metropolitan District to approve the Second Amendment to Construction Funding and Reimbursement Agreement.

Authorization for Approval of Contracts and Payment of Claims

The HWMD Board considered the Resolution Concerning Authorization For Approval of Contracts and Payment of Claims. The resolution authorizes the Board President and one other Director to approve contracts and invoices outside of regular meetings subject to certain conditions and restrictions. Since the Board is no longer meeting monthly, this will allow the District to timely and cost effectively meet its ongoing obligations and contracts to be executed as needed, without undue delay. The agreements and invoices will then be brought to the Board for ratification at the next meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED by Headwaters Metropolitan District to approve the Resolution Concerning Authorization For Approval of Contracts and Payment of Claims.

Executive Session

The Board determined that an Executive Session was not necessary.

Legal

Mr. Waldron noted there were no other legal matters for consideration at today's meeting.

Bank Account Signers

Director Packer requested approval for updating signature cards for the HWMD Bank Accounts. She asked that she and Rusty Thompson be the signers on the Grand Mtn Bank General Fund and Capital Fund Accounts. She would like to move the LPA bank account from Grand Mountain Bank to Colorado Business Bank and requested she and Rusty Thompson be the signers there as well. In addition Robertson & Marchetti, PC, Director Krueger and Marise Cipriani should be given the ability to do inquiries on all HWMD accounts. The Board agreed with the

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recommendations. Upon motion duly made and seconded it was unanimously

RESOLVED by Headwaters Metropolitan District to authorize Director Packer and Mr. Thompson as signers on HWMD bank accounts with Robertson & Marchetti, PC, Director Krueger and Marise Cipriani given the ability to do inquiries, and

FURTHER RESOLVED by Headwaters Metropolitan District to approve moving the LPA bank account to Colorado Business Bank.

Financial Statements

Mr. Weaver presented the preliminary May 2013 financial statements for HWMD. It was noted the District will need to amend the 2013 budget to allow for the creation of the LPA fund. The 2014 preliminary budget had been included in rough draft form. It is expected the developer contribution for the general fund expenditures will be reduced as the District received approximate \$15,000 in fees from GRA. Upon motion duly made and seconded it was unanimously

RESOLVED by Headwaters Metropolitan District to approve the preliminary May 2013 financial statements.

Future Meetings

The next regular meeting is scheduled for Wednesday, October 16, 2013 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 and Granby Ranch Metropolitan District Nos. 2 & 8 this 17th day of July 2013.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the Meeting