

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GRANBY RANCH METROPOLITAN DISTRICT HELD NOVEMBER 11, 2016

A regular meeting of the Board of Directors of the Granby Ranch Metropolitan District was held on November 11, 2016 at 2:00 p.m. Granby Town Hall, Zero Jasper Avenue, Granby, CO 80446.

Attendance: In attendance were Directors:

Natasha Wall; President
Dale Floren; Vice President
Terry Walker; Secretary/Treasurer
Lance Badger; Assistant Secretary
Julie Krueger; Assistant Secretary

Also in Attendance:

Bob Blodgett and Pat Shannon; CliftonLarsonAllen LLP
Jason Carroll; CliftonLarsonAllen LLP
Jeffrey Erb; Seter & Vander Wall, P.C
Jonathan Heroux; PiperJaffray (via telephone)
Jim Collins; Collins Cockrel & Cole (via telephone)
Marise Cipriani; Granby Realty Holdings
Chet & Carol Brame
John Pins
Nick Raible
Natascha O'Flaherty

I. Call to Order

Director Wall called the meeting to order at 2:05 p.m.

II. Declaration of Quorum/Director Qualifications/Disclosure of Conflicts

Mr. Erb reported disclosures have been filed for each Board member, and have also been filed with the Secretary of State. 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.

III. Review and Approve October 14, 2016 Regular Meeting Minutes

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Mr. Blodgett noted there are some minor typographical errors that will be corrected. Upon a motion duly made by Director Walker, seconded by Director Floren, and upon a vote, unanimously carried, the Board approved the October 14, 2016 Regular Meeting Minutes as amended.

IV. Financial Items

A. 2016 Bond Refunding

1. Review Financial Forecast – Jason Carroll

Mr. Carroll reviewed the forecast with the Board. He reported that his assumptions include a 2% annual increase in property values and a 3% biennial increase associated with the reassessment of home values in the District. He reported that the growth projections were provided by Director Badger on behalf of the developer and anticipate a total of 178 new homes over the next six years, including the 13 single-family custom homes currently under construction. These homes represent a variety of residential products, including single family homes, duplexes, and smaller cabins at various price points. Mr. Carroll reported that with these growth assumptions, 60 mills is adequate to pay both the Debt Service on the refunding bonds and the District's annual operating levy with a reserve beginning at \$110,000 annually in 2020 for road capital repairs. Without growth, 60 mills will not be adequate in the future to build up an adequate reserve fund.

Mr. Carroll reported he has circulated a draft to Mr. Erb, Mr. Heroux, Mr. Blodgett and Director Badger for review. He will finalize the forecast for release to the District within the next week.

2. Schedule

Mr. Heroux reported that the Board approved the parameters resolution at their October 14th meeting. He will finalize the preliminary limited offering memorandum with Mr. Carroll and Mr. Erb within the next week and release it prior to the end of November. Closing is still scheduled for the first week in December.

The Board thanked Mr. Heroux and Mr. Carroll for their work.

B. Other

1. Accept September 30, 2016 Quarterly Financial Report

Mr. Carrol reviewed the District's financials through the end of September 2016. Upon a motion duly made by Director Wall, seconded by Director Krueger, and upon a vote, unanimously carried, the September 30, 2016 Quarterly Report was accepted.

2. Claims

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Mr. Blodgett distributed the list of claims payable totaling \$117,228.88 for 2016 through October 31, 2016 for review by the Board.

Upon a motion duly made by Director Wall, seconded by Director Floren, and upon a vote, unanimously carried, the Board approved the claims payable as presented.

V. Attorney Items

A. Approval of Increased Granby Ranch Metropolitan District Mill Levy by Town of Granby According to First Amended Service Plan

Mr. Erb reported the Town Board approved the District's mill levy increase to 60 mills maximum per year with a 50 mills maximum each for Operations and Debt Service at their November 8th meeting.

Upon a motion duly made by Director Floren, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved and ratified the increased mill levy by the Town of Granby.

Mr. Erb reported a condition of the increased mill levy was the District to submit a revised Service Plan within six months to clarify the role and powers of the District in conjunction with the other special districts in Granby Ranch.

B. Review and Ratify Second Amendment to Granby Ranch Metropolitan District Service Plan

Upon a motion duly made by Director Floren, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved to ratify the Second Amendment to the Granby Ranch Metropolitan District Service Plan increasing the mill levy cap to 60 mills per year, with a cap of 50 for debt and 50 for operations, and terminating the relationship with Headwaters Metropolitan District.

C. Review and Ratify Amended and Restated Intergovernmental Agreement with the Town of Granby

Mr. Erb reported the amended agreement also clarifies the District's new mill levy cap of 60 mills and also that District's future pledge of up to 5 mills to participate in a transportation system will be in addition to this cap. Upon a motion duly made by Director Badger, seconded by Director Wall, and upon a vote, unanimously carried, the Board ratified the Amended and Restated Intergovernmental Agreement with the Town of Granby.

D. Approve Resolution Authorizing Issuance of a Tax Anticipation Note in the Principal Amount of NTE \$100,000

This Tax Anticipation Note with Granby Realty Holdings, LLC effective January 1, 2017 is to provide the District with cash for operations pending the receipt of tax revenue next year. Mr. Erb reported that there is no interest on the money borrowed and repayment is

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due by August 31, 2017. It can be drawn in \$50,000 increments as the District needs the funds for snow removal or other purposes.

Upon a motion duly made by Director Wall, seconded by Director Floren, and upon a vote, unanimously carried, the Board approved the Resolution Authorizing Issuance of a Tax Anticipation Note in the Principal Amount of Not to Exceed \$100,000.

E. Discuss Discharge of 2010 Subordinate Bonds

Mr. Erb reported he continues to work with Mr. Collins and Ms. Cipriani regarding the appropriate language regarding the discharge of these bonds. This will be completed in conjunction with the refunding of the 2016 bonds.

F. Consider Approval of Road Maintenance and Snow Removal Agreement with Headwaters Metropolitan District

Mr. Erb reviewed the agreement with the Board. This provides a formula for payment of road maintenance and snow removal costs by the District, Headwaters Metropolitan District, Granby Ranch Metropolitan District Nos. 2—8 in proportion to each district's assessed value. Payments to Headwaters Metropolitan District (who is administering the agreement), will be made quarterly by the Granby Ranch Metropolitan District.

After discussion, upon a motion duly made by Director Badger, seconded by Director Wall, and upon a vote, unanimously carried, the Board approved the Road Maintenance and Snow Removal Agreement with Headwaters Metropolitan District subject to final wording and approval by legal counsel.

G. Consider Approval of Waiver and Release of Claims with Granby Realty Holdings LLC and Headwaters Metropolitan District

Mr. Erb reviewed the status of this agreement with the Board. Mr. Collins commented regarding the structure of the agreement. After discussion, upon a motion duly made by Director Walker, seconded by Director Wall, and upon a vote, unanimously carried, the Board approved the Waiver and Release of Claims with Granby Realty Holdings LLC and Headwaters Metropolitan District for all items in the August 22nd letter agreement, so that the release and waiver of claims coincides with the completion of each item listed in the August 22 agreement.

H. Consider Termination of Master IGA with Headwaters Metropolitan District

Upon a motion duly made by Director Krueger, seconded by Director Floren, and upon a vote, unanimously carried, the Board approved the termination of the Master IGA with Headwaters Metropolitan District subject to revision of the recitals and deletion of the waiver paragraph by Mr. Erb.

I. Consider Approval of First Amendment to August 22, 2016 Letter Agreement

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Mr. Erb reported this is necessary to reflect the changes dates due to the delay in approval of the district's increased mill levy by the Town of Granby.

Upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the First Amendment to the August 22, 2016 Letter Agreement.

J. Consider Acceptance of Public Access Easement to Roads in Granby Ranch

Mr. Erb reported this has not yet been drafted. He is looking to Headwaters Metropolitan District or Granby Ranch Holdings LLC to provide the first draft.

Upon a motion duly made by Director Badger, seconded by Director Wall, and upon a vote, unanimously carried, the Board approved the public access easement to roads in Granby Ranch subject to final legal review by Mr. Erb.

VI. Manager Items

A. Consider Adoption of 2017 Budget; Consider Adoption of Resolution 2016-10-01 to: 1) Approve 2017 Budget; 2) Appropriate Expenditures; and 3) Certify Mill Levy

Mr. Blodgett reported the budget hearing had been opened and closed at the October meeting. Mr. Carroll reviewed the revised budget with the Board. He reported it provides for 40 mills of Debt Service and 20 mills of Operations for a total mill levy of 60 mills. The Debt Service Levy may need to be adjusted slightly depending on the final closing date and interest rate of the refunded bonds.

Upon a motion duly made by Director Walker, seconded by Director Wall, and upon a vote, unanimously carried, the Board approved the 2017 Budget and adopted Resolution 2016-10-01 to Approve 2017 Budget, Appropriate Expenditures and Certify Mill Levy of 60 mills, subject to a final allocation of mills between debt service and operations based on the terms of the refunded bonds, so long as such adjustment is within the terms of the bond authorizing resolution.

B. Approve 2017 Annual Administrative Resolution 2016-10-02 and 2017 Regular Meeting Schedule

1. Proposed 2017 Regular Meetings – 2nd Friday of February, May, August and November at 2:00 p.m. at Granby Town Hall

The Board reported the proposed regular meeting schedule was satisfactory. The Board also decided no compensation would be paid to the Board members. This section of the resolution will be revised.

Upon a motion duly made by Director Krueger, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the 2017 Annual Administrative Resolution 2016-10-02 as amended with the 2017 regular meeting schedule.

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C. Website Update

1. October 21, 2016 Letter and Q&A's

Mr. Blodgett reported the website has been updated with the 2017 draft budget, the November 11th meeting packet and the Q & A's from the October 28th meeting. The Board asked that pictures of a moose or elk, Town of Granby sign, golf course, ski area and other amenities be added to the website to illustrate the assets of Granby Ranch. Mr. Blodgett will do so.

VII. Director Items

A. Public Comments

The Board expressed concern regarding the need for the Service Plan revision required by the town. Mr. Erb reported the cost would be in the range of \$5,000 - \$10,000. Director Wall asked if the Service Plan can be amended instead of redrafted. Ms. O'Flaherty volunteered to assist with some of the drafting of the revised Service Plan.

Mr. Erb reported he would have a revised Service Plan available for Board review at the February meeting.

Ms. O'Flaherty questioned the growth assumptions for the various Filings included in the Financial Forecast. Director Badger explained the assumptions to her and that they were reasonable, if not overly conservative.

Ms. O'Flaherty reported the road map attached to the Road Maintenance and Snow Removal Agreement needed to be revised. Mr. Erb indicated that this was known and mentioned earlier to the Board during the discussion of the agreement.

Ms. O'Flaherty asked additional questions regarding the Waiver and Release of Claims and participation by Directors Badger and Krueger in the discussion.

B. Discuss Posting Locations – Directors Krueger and Wall

Directors Wall and Krueger reported the current posting locations were adequate. Director Wall stated she wanted to ensure that the information about the meetings was as transparent as possible so that the agendas posted at the County, the website and other areas were immediately available to the residents. The current physical locations will not change.

C. Road Committee Update – Directors Badger and Walker

Director Badger reported this information has previously been provided to the Board. He recommended the addition of two more home owners to the Road Committee. The Board concurred.

D. Discuss Funding of Improvements for Filings 17 & 18

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Mr. Erb reported this has been previously addressed and that the District will not be funding improvements in Filing 17 and 18, but will take over road maintenance and snow removal once the roads have been constructed and accepted.

E. Confirm Quorum and Location for the Next Regular Meeting – Friday, February 10, 2017 at 2:00 p.m. at Granby Town Hall, Zero Jasper Avenue, Granby, CO 80446

A quorum was confirmed for the February 10th meeting.

F. Other

None.

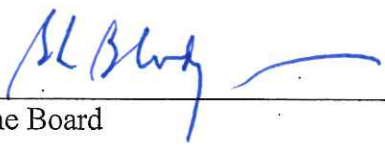
VIII. Other Business

A link to the new District website has been added to the Granby Ranch newsletter published by the homeowner's association.

IX. Adjournment

Director Wall adjourned the meeting at 3:55 p.m.

Respectfully submitted by,


Secretary of the Board