

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
GRANBY RANCH METROPOLITAN DISTRICT
HELD
NOVEMBER 13, 2020**

A Regular Meeting of the Board of Directors of the Granby Ranch Metropolitan District (“GRMD”) was held on Friday November 13, 2020 at 10:00 a.m. via Zoom.

ATTENDANCE: Directors in attendance via Zoom were:
Matt Girard; President
Fran Mejer; Secretary/Treasurer
Steven Conrad; Assistant Secretary/Assistant Treasurer
Timothy Archie; Asst. Secretary
Glenn O’Flaherty; Asst. Secretary

Also in Attendance via Zoom were:
Lisa A. Jacoby; Community Resource Services of Colorado
Alan Pogue; Icenogle Seaver Pogue, P.C.
Nick Raible; Town Appointed Representative of the Granby Ranch Board of Directors
Laci Knowles, D.A. Davidson
Other members of the Public

I. ADMINISTRATIVE ITEMS:

A. Call to Order – Ms. Jacoby noted that a quorum of the Board was present and the meeting was called to order at approximately 10:00 a.m.

It was noted that public comment would be heard throughout the meeting via the Zoom “chat” tool or via email to Attorney Alan Pogue at apogue@isp-law.com. It was also noted that the meeting packet was available on the District’s website at Granbyranchmd.com and that Director Mejer distributed the meeting packet to those she had email addresses for.

B. Approval of Agenda - Upon motion duly made by Director O’Flaherty, seconded by Director Mejer, and upon vote, unanimously carried, the Board approved the Agenda, as presented.

C. Declaration of Quorum/Director Qualifications/Disclosure Matters - Attorney Pogue confirmed prior to the meeting that conflict of interest disclosures, if any, were filed for each Board member no later than 72 hours before the meeting with the Secretary of State and the Board. Prior to the meeting, 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 prior to the meeting that nothing

appeared on the agenda for which conflict of interest disclosures would be required to be filed.

- D. Director Girard provided an opening statement regarding Board Meeting protocol, the structure of the District, other entities involved in Granby Ranch; his availability to answer questions at any time; encouragement of public comment throughout the meeting. Additionally, he discussed the District's transparency, posting of documents to the website and public involvement in processes.

II. FINANCIAL ITEMS:

- A. **Future Refinancing Options** – Director Mejer introduced Ms. Laci Knowles with D.A. Davidson. Ms. Knowles presented a Powerpoint presentation and discussed the District's current Bonds and possible future refinancing options. Ms. Knowles noted the goals of and the sophisticated structure of the District's refinancing of the 2011 debt, that occurred in 2018. She discussed the existing bond's call-date structure; a step-down percentage penalty for early refinancing beginning in 2023 through 2025, with no penalty effective 2026. The timing and costs of issuance for a refinancing were discussed. The Board discussed establishing a sub-committee to stay in touch with Ms. Knowles to regarding the status of the bond market and refinancing options for the District.

Upon motion duly made by Director Girard, seconded by Director Archie, and upon vote, unanimously carried, the Board appointed Director Mejer and Director O'Flaherty to a Finance Committee to track refinancing opportunities with Ms. Knowles.

Ms. Knowles left the meeting following her presentation.

III. PUBLIC COMMENT FOR ITEMS THT ARE NOT ON THE AGENDA:

Community member Colleen Hannon thanked the Board for their hard work and representing the community. General public comment was taken via the Zoom "chat" tool or via email and responded to throughout the meeting.

IV. ADMINISTRATIVE ITEMS CONTINUED:

- A. **Minutes** – Upon motion duly made by Director O'Flaherty, seconded by Director Mejer, and upon vote, unanimously carried, the Board approved the August 14, 2020 Regular Meeting Minutes, as presented.

- B. **2021 Regular Meeting Dates and Location / 2021 Annual Administrative Resolution** – Ms. Jacoby discussed prior Board action regarding meeting dates. Discussion ensued regarding varying times to accommodate and provide flexibility for the community to attend the Board meetings. It was noted that the Zoom Board meetings would be recorded and posted to the District's website.

Upon motion duly made by Director Girard, seconded by Director Mejer, and upon vote, unanimously carried, the Board adopted the 2021 Annual Administrative Resolution, as amended and established 2021 regular meeting dates and times for

February 11 at 6:00 p.m.; May 14 at 10:00 a.m., August 13 at 10:00 a.m. and November 11, 2021 at 6:00 p.m.

- C. **2021 Insurance Renewal** – Ms. Jacoby and Director O’Flaherty discussed District’s the insurance renewal. Director O’Flaherty noted that he reviewed the insurance coverage and questioned coverages with the broker and found that certain coverages that appeared to be unnecessary, were found to be mandatory, although apparently not applicable to this District, but a cost savings of only \$17. would be afforded.

V. **FINANCIAL ITEMS CONTINUED:**

- A. **Claims** – Ms. Jacoby presented the payables for ratification of approval for the period of June 25 through October 20, 2020, for an amount of \$35,923.10. Further, Ms. Jacoby and Attorney Pogue explained that those invoices for her firm and for his firm that had been identified with billing rates that were inconsistent with the respective firm’s current contracts, had been analyzed and corrected and credits had been issued, inclusive in the packet of payables presented for ratification.

Upon motion duly made by Director Girard, seconded by Director O’Flaherty, and upon vote, unanimously carried, the Board ratified the approval of the claims for the period of June 25 through October 20, 2020, for an amount of \$35,923.10.

- B. **Unaudited Financial Statements** - Ms. Jacoby, presented the unaudited Financial Statements for the period ending October 31, 2020 with Cash Position adjusted as of November 6, 2020. Director Girard inquired regarding the % of Budget YTD vs. the total percentages and regarding Specific Ownership Taxes. Director Mejer inquired regarding verification of the total expenses to date.

Following review and discussion, upon motion duly made by Director Girard, seconded by Director Mejer and, upon vote, unanimously carried, the Board accepted the October 31, 2020 unaudited Financial Statements with Cash Position adjusted as of November 6, 2020.

- C. **Mill Levy Tax Rebates** – Ms. Jacoby noted that the outstanding checks presented on the Mill Levy Tax Rebate report had not changed since the last Board meeting. Director Mejer and Girard noted that at some point the Board may want to consider turning over the funds to the State unclaimed property (aka “Great Colorado Payback”). The Board determined to consider further at the August 2021 Board Meeting.

- D. **Engagement of Auditor to Perform the 2020 Budget** - Following discussion, upon motion duly made by Director Girard, seconded by Director Mejer and, upon vote, unanimously carried, the Board approved the engagement of Chadwick, Steinkirchner, Davis & Co., P.C. to perform the 2020 Audit for an amount of \$5,600, provided that presentation of the Audit occur at the May 14, 2021 Board Meeting.

E. 2021 Budget Hearing - The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Ms. Jacoby noted that the Assessed Valuation determined by the County Assessor, had increased from last year. Ms. Jacoby presented 2 prepared Budget Options for consideration by the Board.

Public comment was received. Discussion ensued regarding the proposed Operation Reserve line-item history and possible future use. Discussion ensued regarding Budget and Mill Levy options. Following public comment, the President closed the public hearing.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2021 Budget (as amended) and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 15.000 mills and the Debt Service Fund at 45.000 mills, for a total mill levy of 60.000 mills). In addition, the board directed staff to include a transfer out of the general fund and into the debt fund at the end of the year as a budget line-item in the 2021 budget of approximately \$87,000 (or the equivalent of 5 mills in property tax). Upon motion duly made by Director O’Flaherty, seconded by Director Girard and, upon vote, carried with Directors Girard, Conrad, Archie, O’Flaherty voting “Yes” and Director Mejer voting “No”, the Budget was adopted as discussed, the Resolution was adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Ms. Jacoby was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Grand County and the Division of Local Government, not later than December 15, 2020. Ms. Jacoby was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021.

VI. OTHER ITEMS:

Ms. Jacoby presented the below Compliance Calendar information. No action was required by the Board.:

1. December 10, 2020 - County Assessors provide certification of assessed valuation deadline.
2. December 15, 2020 - Certification of Mill Levies to the County deadline.
3. January 1, 2021 – Maintain current, accurate map of the District boundaries on file with DLG, County Clerk and Assessor.
4. January 14, 2021 – Annual Transparency Notice posted on the District’s website and filed with the DLG; County Commissioners; County Assessor; Treasurer and Clerk and Town of Granby.

5. January 31, 2021 – 2021 Adopted Budget Filing with DLG deadline.

VII. LEGAL ITEMS:

A. Status of Matters Subject to the 2018 GRMD Refinancing Settlement Agreement

1. Status of Appointment of a Granby Ranch Metropolitan District (“GRMD”) Eligible Elector to the Headwaters Metropolitan District Board of Directors – Director Girard discussed the unwillingness of the receiver to take steps necessary to appoint an eligible elector. Discussion ensued regarding approaching the new owner (“GPGH”) regarding same.

Following discussion, upon motion duly made by Director Girard, seconded by Director O’Flaherty and, upon vote, unanimously carried, the Board authorized Director Attorney Pogue to approach GPGH to request steps be taken to appoint a Granby Ranch Metropolitan District Eligible Elector to the Headwaters Metropolitan District Board of Directors, pursuant to the terms of the Refinancing Settlement Agreement.

2. Status of Road Repair Work and Town of Granby’s Call of Surety Bonds – It was reported at the last Board meeting by Director Girard, that Surety in the amount of \$1.7 million was put up by the previous developer as a guarantee for completion of the Roads. Further, the Town has tried to call the bonds; however, the Surety has denied the claim.

Director Girard inquired with Mr. Raible regarding the status Surety Bonds and road repairs from the perspective of the Town. Mr. Raible noted that the Town has this subject matter on the Agenda for their next Town Council meeting scheduled for Tuesday, November 17, 2020, and that they will be receiving advice from an expert on the subject.

It was noted by Director Girard that even if full funds were released from the Surety in the amount of \$1.7 million, the cost for the road repairs is estimated around \$4 million. It was noted that the Town is currently imposing restrictions on the new owner as a means for enforcing the requirements of the SIA.

Director O’Flaherty noted that he had a deep concern regarding the potential “assignment” of the SIA and that there does not appear to be an advantage to the community. Mr. Raible suggested that the community join the Town Council Board Meeting to voice their concerns.

Attorney Pogue noted that these concerns have been expressed to the Town Attorney including the various involved entity’s legal counsel meeting to discuss these matters.

ADJOURN TO EXECUTIVE SESSION –Upon motion duly made by Director Girard, seconded by Director O’Flaherty and, upon vote, unanimously carried, the Board

adjourned into executive session at 12:05 p.m., pursuant to 24-6-402-4-(b), C.R.S., for the purpose of receiving legal advice from Counsel related to the below subject matters. Furthermore, pursuant to 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's counsel, constitutes privileged attorney-client communication pursuant to 24-6-402(4)(b), C.R.S.

B. Status of Granby Ranch resort sale/foreclosure/ownership.

1. Discuss GP Granby Holdings, LLC (“GPGH”) assertion of extinguished agreements.
 - i. Second Amended and Restated Lease Purchase Agreement dated December 31, 2012 by and between Granby Realty Holdings LLC and Headwaters Metropolitan District (enclosures - Agreement dated December 31, 2012; Letter from GP Granby Holdings, LLC to Property Owners, and Letter from Davis Graham & Stubbs to Headwaters MD dated September 1, 2020)
 - ii. Amenity Fee Agreement dated June 1, 2005 between Granby Realty Holdings LLC and Headwaters Metropolitan District

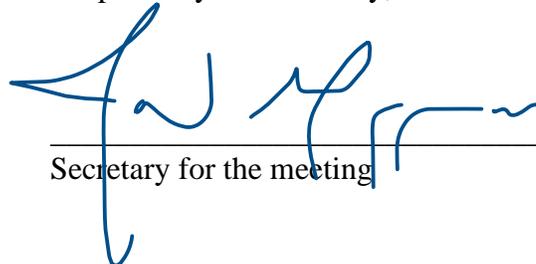
Members of the public, Mr. Raible, Ms. Jacoby and Ms. Beans were excused from Executive Session.

Upon motion by Director Girard, seconded by Director Conrad and, upon vote, unanimously carried, the Board reconvened in regular session at 12:35 p.m.

Following discussion, the Board authorized Attorney Pogue to investigate legal options for the District, including the hiring of Norton & Smith law firm as special counsel, as it relates to the Second Amendment and Restated Lease Purchase Agreement dated December 31, 2012, that has been asserted as extinguished by GP Granby Holdings, LLC (“GPGH”), due to property foreclosure proceedings.

VIII. ADJOURNMENT - There being no additional business, the meeting was adjourned at 12:37 p.m.

Respectfully submitted by,



Secretary for the meeting