
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of the Granby Ranch Metropolitan District November 10, 2010

A Special Meeting of the Board of Directors of the Granby Ranch Metropolitan District, Town of Granby, Grand County, Colorado, was held at the Grange 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
- Lance Badger

The following Directors participated via phone and were therefore not able to act:

- Sandra Clinger
- Jay Gleason

Also in attendance were:

- Gary White, White, Bear & Ankele, P.C. (via phone)
- Eric Weaver, Robertson & Marchetti, P.C., (via phone)
- Clint Waldron, White, Bear & Ankele, P.C. (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Marise Cipriani, Granby Realty Holdings
- Neil Herzog, homeowner
- Natasha O'Flaherty, homeowner (via phone @ 2:15 pm)

Call to Order and Declaration of Quorum

The Special Meeting of the Board of Directors of the Granby Ranch Metropolitan District was called to order by Director Harris on November 10, 2010 at 1:30 p.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

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conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Consideration of Agenda

No changes were made to the agenda.

Minutes

The Board reviewed the minutes of the October 20, 2010 meeting. By motion duly made and seconded, it was unanimously

RESOLVED to approve the October 20, 2010 minutes as presented.

Executive Session

The Board determined that an executive session was not necessary.

Legislative Matters

Mr. White reported that the November ballot initiatives 60, 61 and 101 failed.

Developer Comment

Ms. Cipriani clarified the developers position related to expected repayment of advances provided to the Districts. She noted the developer has been cooperative in responding to questions from the homeowners. She stated the developer feels that all pertinent information has been provided and will no longer respond to redundant requests. She expects the development to move forward in a productive manner.

Financial

Mr. Weaver stated the September 30, 2010 financial statement included in the packet was already accepted at the October 20 meeting. It was included in the packet to facilitate the discussion of the 2010 amended budget and the 2011 budget. He stated no material changes were made.

2010 Amended Budget

Mr. Harris opened the public hearing for the 2010 Amended Budget. No public comment was offered and the hearings were closed. Upon motion duly made and seconded unanimously (although Directors Clinger and Gleason who were not able to act expressed objection to the motion)

RESOLVED to approve the resolution to adopt the amended 2010 budget.

Ms. O'Flaherty joined the meeting by phone at 2:15 p.m.

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2011 Budget

Director Harris opened the public hearings for the 2011 budget. The board discussed the details of the budget and took public comment. Mr. Weaver explained that due to increasing debt service payment requirements on the 2006 Bonds that the entire mill levy of the District is required to be pledged to the bonds, leaving no funds available for the operating costs of the Headwaters General Fund. It was noted that the developer has appealed the valuation on a number of properties and if the appeal is successful the resulting abatement would reduce the 2011 tax collections of the District. The Board noted it will face additional challenges in 2012 in balancing the budget due to an anticipated drop in assessed valuation. Director Harris noted for the record the District had received a strong objection to the 2011 budget from Ms. O'Flaherty. Director Clinger also stated her strong objection to the 2011 budget. Mr. Weaver noted the final assessed valuation will be received in late November explaining there will be minor adjustments needed to true up the property tax revenues for the budget. The public hearing was closed. By motion duly made and seconded it was unanimously (although Director Clinger expressed objection and Director Gleason was in favor of the motion)

RESOLVED to approve the resolution to adopt the 2011 budget, to set the mill levy rates, and to appropriate funds subject to receipt of the final assessed valuation.

Accounts Payable

The Board reviewed the accounts payable list in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable as presented.

Public Input

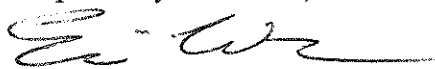
No additional public comment was offered.

Adjournment

Upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Special meeting of the Granby Ranch Metropolitan District this 10th day of November 2010.

Respectfully submitted,



Eric Weaver
Secretary for the Meeting