

DISTRICT COURT, GRAND COUNTY, COLORADO Court Address: Grand County Combined Courts 307 Moffat Ave Hot Sulphur Springs, CO 80451 Telephone No.: (970) 725-3357	DATE FILED: March 15, 2022 1:19 PM FILING ID: 5EF50682ABBF4 CASE NUMBER: 2021CV30008
Plaintiff: GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, v. Defendants: HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado; GRAY JAY VENTURES, LLC.; GRANBY PRENTICE, LLC.; GR TERRA, LLC.	<p style="text-align: center;">▲COURT USE ONLY▲</p> Case No.: 2021CV030008 Div.: Rm.:
<i>Counsel for Plaintiff:</i> Charles E. Norton, #10633 Alicia M. Garcia, #53860 NORTON & SMITH, P.C. 600 17 th Street, Suite 2150S Denver, Colorado 80202 Phone Number: (303) 292-6400 FAX Number: (303) 292-6401 E-mail: CNorton@NortonSmithLaw.com AGarcia@NortonSmithLaw.com	
PLAINTIFF GRANBY RANCH METROPOLITAN DISTRICT’S MOTION FOR SUMMARY JUDGMENT ON COUNT I, II, AND III OF DEFENDANT GR TERRA’S COUNTERCLAIMS	

Plaintiff Granby Ranch Metropolitan District (“GRMD”) through its undersigned counsel, submits the following Motion for Summary Judgment, and in support thereof states as follows:

CERTIFICATE OF CONFERRAL

Plaintiff’s counsel certifies that they have conferred with counsel for Defendants regarding the relief requested herein and that all defendants have stated that they oppose this motion.

MOTION

Introduction and Summary of Argument

This case involves a dispute between two special districts that are metropolitan districts organized under the provisions of section 32-1-101 et seq., C.R.S. (the “Special District Act”). Both districts were originally organized in 2003 under service plans prepared by Sol Vista Corp., the developer of the “Sol Vista Golf & Ski Ranch.”

The developer came to be called Granby Realty Holdings, LLC (“GRH”). In 2006, GRH entered into an “Amended and Restated Lease Purchase Agreement” with the defendant Headwaters Metropolitan District (“Headwaters”) whereby Headwaters would lease and eventually could acquire the ski area and golf course which were “Amenities” for the Granby Ranch development. The parties subsequently entered into a “Second Amended and Restated Lease Purchase Agreement” (“LPA”) in 2012 with substantially the same terms as the first agreement. The LPA is the focal point of the dispute among the parties.

In Count I of the counterclaims, GR Terra maintains that the LPA was terminated entirely through a foreclosure of the Leased Premises, or through a notice of termination given by Gray Jay Ventures LLC, GR Terra’s predecessor in title, or through “Headwater’s failure to appropriate funds for rental payments as of January 1, 2021.” Count II seeks a cancellation of the restrictive covenant created by the LPA. Count III seeks to quiet title in the Leased Premises in GR Terra, based upon a theory that the LPA was terminated and that the restrictive covenants should be cancelled.

Plaintiff GRMD’s response is that the grounds for termination set forth in section 2 and 3 of the LPA have not been met in this case. Further, the LPA is a covenant running with the land and has not been cancelled because of the foreclosure. Unless a termination of the LPA has taken

place, or the LPA has been wiped out by the foreclosure, the first three counts in the counterclaims all fail as a matter of law.

Standard of Review

Summary judgment is appropriate when the pleadings, affidavits, depositions, or admissions show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law. C.R.C.P. 56; *A.C. Excavating v. Yacht Club II Homeowners' Ass'n*, 114 P.3d 862, 865 (Colo. 2005). The moving party has the burden of producing and identifying those portions of the record and affidavits that demonstrate the absence of any genuine issue of material fact. *Continental Airlines Inc. v. Keenan*, 731 P.2d 708, 712 (Colo. 1987). This burden may be met in whole or part by demonstrating that there is an absence of evidence in the record to support the nonmoving party's case if the moving party seeks summary judgment on an issue where they would not bear the ultimate burden of persuasion at trial. *Id.* Once a movant makes a convincing showing that genuine issues of material fact are lacking, the opposing party must demonstrate by relevant and specific facts that a controversy exists. *Closed Basin Landowners' Ass'n v. Rio Grande*, 734 P. 2d 627, 632 (Colo. 1987).

There is no issue of material fact that can avoid the conclusion that the LPA has not been terminated, and that it is a covenant running with the land that cannot be cancelled or written out of existence by this Court. GRMD is entitled to judgment as a matter of law.

Narrative of Non-Disputed Material Facts

Based upon the pleadings and related documentary evidence, the following are material facts that have been proven in this case.

Headwaters (initially known as SolVista Metropolitan District No. 2) was formed after its Service Plan had been approved by the Town of Granby in 2003. Second Am. Compl., (“Complaint 2”), Ex. 1. Headwaters had the power to “finance, acquire, construct, install, operate and maintain the public facilities and improvements to be furnished by the District, either directly or by contract, or by acquisition from the Company (Sol Vista Corp.) or other persons.” *Id.*, p. 9. This power could be used to acquire ski areas and/or ski lifts and golf courses. *Id.*, p. 7. GRMD has identical powers. Compl., Ex. 2, p. 7.

On February 26, 2008, Headwaters, GRMD, and the Granby Ranch Metropolitan Districts Nos. 2 through 8 (“GRMD” 2-8) entered into an Intergovernmental Agreement with the Town of Granby (“First Town IGA”). Compl., Ex. 5. This document provided that “In addition to the types of park and recreation services and facilities referred to or reflected in the Service Plans...the Districts will be authorized to acquire, construct, own, operate and maintain the ski area and lifts, ski lodge, golf courses and appurtenant clubhouse and maintenance facilities, fishing or “river park” facilities and programs, and parks, trails, and open space for various recreational purposes as more fully described on Exhibit A, attached hereto and incorporated herein by reference, collectively called the “Amenities.” *Id.*

The First Town IGA was replaced by an Amended and Restated IGA on November 8, 2016 (the “Second Town IGA”), Compl. 2, Ex. 7. The Second Town IGA had identical language that authorized the Districts to acquire the Amenities. *Id.*, ¶ 5 a., p. 3. “Districts” was a defined term under both agreements, and included Headwaters, GRMD, and GRMD 2-8. The Second Town IGA also authorized the Districts to impose and collect “a one-time, front-end Amenities Fee, in an amount not to exceed \$10,000.00 per lot or equivalent dwelling unit in the Districts....”

The Amenities Fee had first been implemented by a “Joint Resolution of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish an Amenity Fee”, enacted by the Boards of Directors of Headwaters and GRMD on May 26, 2005 (the “2005 Fee Resolution”). Compl. 2, Ex. 4. An Amenity Fee was imposed of \$10,000.00 per residential dwelling unit, to be collected at the time of the transfer of the lot or issuance of a building permit.

The 2005 Fee Resolution further provided that,

Until such time as the purchase price for the Amenities to be purchased by Headwaters pursuant to the Lease Purchase Agreement between the Developer (defined as Granby Realty Holdings, LLC) and Headwaters has been paid in full (and all debt used to purchase finance or refinance such purchase price has been paid in full) (the “Initial Amenities Payment Date”), the revenues generated by the Amenity Fee shall be used solely for the purpose of financing the acquisition, leasing, construction, and replacement of Amenities, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by other parties. This restriction on the use of Amenity Fee revenue shall be absolute and without qualification. After the initial Amenities Payment Date, the revenues generated by the Amenity Fee may be used for the foregoing purposes and/or for the operation, maintenance, and repair of Amenities.

The 2005 Fee Resolution was in turn superseded by an “Amended and Restated Joint Resolution of the Boards of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District and Joint Resolution of the Boards of Directors of Granby Ranch Metropolitan District No. 2 and Granby Ranch Metropolitan District No. 8 To Establish an Amenity Fee,” enacted at a meeting held by all of the Boards of Directors on July 17, 2013 (the “2013 Fee Resolution”), attached hereto as **Exhibit A** to this Motion. The 2013 Fee Resolution simplified the timing for collecting the Amenity Fee, which remained at \$10,000.00, to be collected at the time that a certificate of occupancy was issued for an apartment building or a residential lot was transferred to an end user. In paragraph 2 of the 2013 Fee Resolution, the Boards of Directors of Headwaters, GRMD, Granby Ranch Metropolitan District No. 2, and

Granby Ranch Metropolitan District No. 8 all “find that the Amenity Fee as set forth in this Resolution is fair and equitable, and approximates a pro rata calculation of not more than the cost of the acquisition, construction and installation of the Amenities.”

Paragraph 8 of the 2013 Fee Resolution provided that the revenues generated by the Amenity Fee shall be used solely for the purpose of financing the acquisition, construction, and installation of Amenities, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by GRH or other parties. The Districts removed the provision that Amenity Fee revenues could be used for operations and maintenance after the Amenities Payment Date under the lease purchase agreement. Instead, the 2013 Fee Resolution flatly stated the restriction on the use of Amenity Fee revenues; that they be used solely for the purpose of financing the acquisition, construction, and installation of Amenities shall be “absolute and without qualification.”

Headwaters and GRH entered into the LPA on December 31, 2012. This lease purchase agreement was the successor to “that certain Amended and Restated Lease Purchase Agreement dated as of June 1, 2006, as amended by the First, Second, Third, Fourth and Fifth Addenda.” Second Compl., Ex. 6, p. 1.

In section 3a. of the LPA, Headwaters agreed to pay as rent the proceeds of “all amenity fees collected by the Tenant.” As used in the LPA, the term “Amenity Fees shall mean and refer to any Amenity Fee imposed pursuant to the Fee Resolution and the Fee Agreements, as the same may be amended and restated from time to time, and any other resolution adopted or agreement entered into for the purpose of imposing fees related to the use of the Leased Premises.” All Amenities Fees collected pursuant to the 2013 Fee Resolution and its predecessors were thus to be paid as rent to GRH and its successors as “Landlord.” These

Amenity Fees were to be the sole source of rent payments; it was entirely possible under the LPA that there could be no rent due in any fiscal year if no Amenity Fees were collected by Headwaters. *Id.*

Section 2 of the LPA provides that the term of the Lease shall be the end of the current fiscal year, and 49 additional one-year terms coinciding with the fiscal year of Headwaters. Renewal shall be automatic, unless Headwaters “elects not to appropriate funds to pay amounts due under this Lease as set forth in Section 3.c.” Section 2.a.-f. list other grounds for termination. In Count I of its counterclaims, GR Terra alleges that the LPA has terminated, due to the failure of Headwaters to appropriate funds for rental payments “as of January 1, 2021. It also pleads that the LPA was terminated due to a notice of termination given by its predecessor, Gray Jay Ventures, LLC (“Gray Jay”).

The LPA also provided in section 23 that Headwaters could acquire the Leased Premises for the lesser of the **Adjusted Appraised Value**, which was \$18,949,226, subject to certain adjustments for inflation and capital improvements and the value of after-acquired equipment and machinery, or “all Amenity Fees collectable by Tenant under the Amenity Fee Agreements and the Fee Resolution.” Headwaters was also to acquire the Leased Premises on December 31, 2062 if the Lease had not otherwise been terminated in accordance with Section 2(a), (b), or (c).

This provision for “Acquisition by Tenant” in the LPA allowed Headwaters to comply with its obligations under the IGA with the Town of Granby. In section 5b. of that agreement, Headwaters had agreed that “Property interests in areas and assets needed for Amenities which are acquired from the Developer shall be acquired at prices which do not exceed the fair market value as established by a qualified appraiser.”

GRH is alleged to have defaulted on its promissory note to the Lender, Redwood Capital, under a Deed of Trust executed in 2005. The property was sold at a foreclosure sale held on August 14, 2020, to an entity called Granby Prentice LLP, which in turn assigned its Certificate of Purchase to GP Granby Holdings LLC, now known as Gray Jay. In August of 2020, the Public Trustee issued a Public Trustee's Deed to Gray Jay, which was recorded on August 31, 2020. GR Terra Answer and Countercl., ¶¶ 89-92.

The LPA had previously been recorded on January 3, 2020, in the real property records of Grand County, Colorado at Reception No. 2020000067. Second Compl., GR Terra Answer and Countercl., ¶ 34. [The LPA had been recorded by Matt Girard, a lot owner in Granby Ranch and the President of the Board of Directors of GRMD].

Argument

1. The requirements for termination based upon non-appropriation set forth in sections 2 and 3 of the LPA have not been met, and the LPA remains in full force and effect.

The Defendants have frequently characterized the LPA as being subject to annual appropriation essentially at the unlimited discretion of Headwaters. However, this is not accurate.

Instead, section 2 of the LPA states that the Lease will be renewed annually “unless the Tenant elects not to appropriate funds to pay the amounts dues under this Lease **as set forth in Section 3.c.**” (Emphasis supplied). Section 2 also provides that the Lease will terminate upon the earlier of any of the following events: b. The expiration of the Original Term or any Renewal Term due to the failure of Tenant **to appropriate Amenity Fees to be paid pursuant to the terms of this Lease....**” (Emphasis supplied).

Section 3.c states that the Rental Payments are “a current obligation of the Tenant payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness or multiple fiscal-year obligation of the Tenant within the meaning of the provision of any constitutional or statutory limitation or requirement applicable to the Tenant.” Headwaters agreed that during the Original Term and Renewal Term, “the chairman or president of the Tenant shall request the required appropriation from Tenant’s board of directors for the ensuing Renewal Term and exhaust all available administrative reviews and appeals in the event such portion of the budget is not approved.”

Section 3 went on to state that “If the chairman or president of” Headwaters “periodically requests from its governing body funds to be appropriated for payment to Landlord under this lease and, notwithstanding the making in good faith of such request in accordance with appropriate procedures and with the exercise of reasonable care and diligence the governing body does not approve funds to be paid to the Landlord, the Lease shall not be renewed.”

At other places in the LPA, Headwaters covenants “that it will do all things lawfully within its power to obtain, maintain and properly request and pursue the Amenity Fees.” LPA, section 3.b. In Section 14, Headwaters represents and warrants that “The chairman or president of Tenant will request funds to make payments in each renewal term.”

There is no evidence that Headwaters met any of these prerequisites to terminating the LPA. Attached as **Exhibit B** to this Motion are the Budget Resolutions enacted by Headwaters for fiscal years 2019, 2020, 2021, and 2022. These budgets were obtained from the website maintained by Headwaters pursuant to C.R.S. 32-1-104.5 and from the Division of Local Government. On page 4 of the 2019 Budget Resolution, Headwaters appropriated \$250,000 for the Lease Purchase Agreement Fund, an appropriation which was ratified in a “Resolution to

Amend 2019 Budget” adopted on May 23, 2019. On page 4 of the 2020 Budget Resolution, the Headwaters Board once again appropriated \$250,000 to the Lease Purchase Agreement Fund.

The 2021 Budget Resolution does not set forth the same line item, nor does it contain any representation declining to appropriate the Amenity Fees to the Lease Purchase Agreement Fund. The Resolution reports that two members of the Headwaters Board were present for the vote, Mr. Scott Johnson, and Ms. Sue Johnson. The Division of Local Government records and Special District Transparency Notice included in **Exhibit B** state that Mr. Johnson was appointed as a Director and as the President/Chairman of the Board of Directors of Headwaters on May 21, 2021.

Mr. Johnson introduced and moved the adoption of the 2021 Budget Resolution, which Headwaters contends did not appropriate any Amenity Fees for rent under the LPA. He thus failed in his capacity as President of Headwaters to request that the funds be appropriated. Had Mr. Johnson not made the motion, and had Ms. Johnson done so, the motion to approve the budget resolution should have died for lack of a second. If Mr. Johnson had voted against the Budget Resolution (assuming for the sake of argument that it actually doesn't appropriate amenity fees) it would have failed on a tie vote. Mr. Johnson thus failed to “exhaust all available administrative reviews and appeals” in the event that appropriation of the Amenity Fees to the LPA “is not approved.” In his capacity as President and Chairman of Headwaters, Mr. Johnson also failed to make a good faith request for the appropriation in accordance with appropriate procedures and with the exercise of reasonable care and diligence.

The 2022 budget process suffered from the same defects. Director Scott Johnson is still the President and Chairman of the Headwaters Board of Directors. He “introduced and moved” the adoption of the 2022 Budget Resolution which was seconded by Ms. Johnson. None of the

procedural requirements of the LPA, which were to be pursued in good faith, were carried. On the face of the LPA, it has not been terminated, and remains in full force and effect by operation of law.

These 2021 and 2022 Budget Resolutions are difficult to interpret because neither one anticipates any revenues from Amenity Fees. If this were simply because no Amenity Fees were anticipated to be collected, then under the plain language of the LPA, no Rental Payments are due, and no appropriation is necessary.

However, Headwaters has continued to demand the collection of an Amenity Fee at closings in Granby Ranch. **Exhibit C** to this Motion consists of a composite of two emails, sent to Mylea Draper, an Escrow Officer at Title Company of the Rockies. In the emails, both Diane Rodriguez, accounting manager at Community Resource Services of Colorado, which manages Headwaters, and Clint Waldron, Esq., of White Bear Tanaka & Waldron, P.C., general counsel to Headwaters, affirm that the Amenities Fee of \$10,000 is still to be collected per each lot sold at Granby Ranch. Mr. Waldron states that the Fees were not wiped out by the private foreclosure action and that it can still be used “to finance the acquisition, construction and installation of Amenities.” The emails prove that Headwaters was taking this position as recently as January 25, 2022. All these Amenity Fees should have been appropriated to make rent payments under the LPA, which clearly states in Section 3c. that “If actual Amenity Fees collected during and fiscal year exceed the amount budgeted for Rental Payments for such year, the Board shall amend its budget during such fiscal year to allow for payment of such additional Amenity Fees.”

GR Terra has pled that these procedural guarantees in the LPA are “illusory”, and that Headwaters can simply terminate the LPA at will by refusing to appropriate the Amenities Fees. However, GR Terra is mistaken. In *City of Golden v. Parker*, 138 P.3d 285, 288-89 (Colo. 2006)

the Colorado Supreme Court dealt with certain economic incentive agreements entered into between Golden and private developers. The incentive agreements were subject to annual appropriation under certain restrictions. The Court held that while the agreements complied with Article X, section 20 of the Colorado Constitution, since they were subject to annual appropriation, they also vested contractual rights in the developers. *Id.* at 294-96. The LPA created vested contractual rights that would terminate only under the conditions set forth in Sections 2 and 3. GRMD may enforce these rights as a third-party beneficiary of the LPA.

For these reasons, GR Terra's argument that the LPA has been terminated due to the failure to appropriate Amenity Fees to payment under the LPA fails as a matter of law, and GRMD is entitled to summary judgment on GR Terra's counterclaims, Counts I, II, and III, as a matter of law.

2. Gray Jay's notice that the LPA was terminated because of Headwaters' failure to operate the Amenities for 30 days or longer also did not bring about a termination of the LPA.

GR Terra also contends that the LPA was terminated because Headwaters failed to operate the Amenities on the Leased Premises for 30 days or longer, thus violating Section 10 of the LPA. GR Terra Answer and Counterclaims, paragraph 120 A. However, no triable issues of fact remain on this point, and GRMD is entitled to judgment as a matter of law.

GR Terra relies in its argument on a contention that its predecessor in interest, Gray Jay, then known as GP Granby Holdings LLC, gave notice to Headwaters that it was terminating the LPA because Headwaters had ceased to operate the Amenities for a period of 30 days. This notice, which came in the form of a letter from Clint Richardson, attorney for GPGH/Gray Jay, was dated November 11, 2020. GR Terra Answer and Countercl., Ex. L. This letter also referred to a letter from Mr. Richardson to Headwaters, dated September 1, 2020.

First, the evidence does not support the proposition that Headwaters ceased to operate the Amenities in 2020 during the time frame that the notices were given. The packet of materials supporting the 2021 Budget Resolution for Headwaters includes Exhibit A, part of which is a statement regarding the “Golf Course Operations Fund.” That statement reported \$341,713 of “Golf course revenue” under the heading “2020 actual.” The same statement shows \$338,490 of expenditures for “Golf course operations” under the heading “2020 actual.”

Further, Mr. Richardson’s letters fail to specify a date when Headwaters purportedly ceased to operate the Amenities. Under Section 10 of the LPA, such a notice may only be given within 10 days after the Tenant ceases operation of the Amenities. Mr. Richardson’s letters thus failed to provide notice as required by the LPA.

The Foreclosure by Redwood Capital also failed to wipe out the LPA.

Redwood Capital initiated foreclosure proceedings by filing its Notice of Election and Demand “in the spring of 2020.” Answer and Counterclaims, paragraph 90. It thus took with full constructive knowledge of the LPA, which had been recorded on January 3, 2020.

Section 28 f. of the LPA provides that “This instrument shall also bind and benefit, as the case may require, the heirs, legal representatives, assigns and successors of the respective Parties, and all covenants, conditions and agreements herein contained shall be construed as covenants running with the land.” In its Order of January 28, 2022 (“Order”), this Court denied the Private Defendants’ motion to dismiss GRMD’s Eighth Claim for Relief, finding that “the Plaintiff has pled factual content from which the Court draws the reasonable inference that a contractual obligation, i.e. a real covenant, binds the successors in interest to the LPA.”

The Court’s analysis of the factual content was heavily based on the language of the LPA itself. Thus, the Court found that the language of Section 28f. supported the inference that

Headwaters and GRH had intended the LPA to be a covenant running with the land. The Court further reasoned that the LPA contained a number of provisions indicating that the LPA touches and concerns the land. Order, p. 17-19.

The parties have acknowledged that the LPA is an authentic document executed by Headwaters and GRH. Second Compl., Ex. 6; GR Terra Answer, ¶ 27; Gray Jay and Granby Prentice Answer, ¶ 27; Headwaters Answer, ¶ 27. By offering the LPA to the Court, GRMD has met its burden of making a convincing showing that genuine issues of material fact are lacking; now, the opposing parties must demonstrate by relevant and specific facts that a controversy exists. *Closed Basin Landowners' Ass'n v. Rio Grande*, 734 P. 2d 627, 632 (Colo. 1987). GRMD is confident that the Defendants cannot make the required showing.

A covenant running with the land is not necessarily extinguished by a foreclosure, as this Court held on page 18 of the Order. The Court cited *Top Rail Ranch Estates, LLC v. Walker*, 327 P.3d 321, 327 (covenants in a deed of trust were not extinguished by foreclosure); *Schwab v. Martin*, 441 P.2d 17, 19 (Colo. 1968) (despite foreclosure, the right to appoint a receiver under the deed of trust remained an operative as a contract between the parties). Similarly, the foreclosure by Redwood Capital against GRH did not extinguish the LPA as a covenant running with the land. GRMD is entitled to judgment as a matter of law.

CONCLUSION

In its counterclaims, GR Terra has sought a declaration that the LPA was extinguished because Headwaters failed to appropriate lease payments, Gray Jay and Granby Prentice gave notice that the Amenities had not been operated for a period of 30 days, and the foreclosure erased the LPA. However, Headwaters failed to meet the preconditions for termination due to non-appropriation, there is no proof that the Amenities ceased operation for more than 30 days or

that notice was properly given, and the foreclosure failed to wipe out the LPA as a covenant running with the land. GR Terra has failed to carry its burden of showing that there are material and disputed issues of fact, and thus GRMD is entitled to judgment as a matter of law.

This will lead to a just result. GR Terra has taken title to real property that benefitted significantly from the collection of Amenities Fees. The parties all acknowledge that more than \$6 million in Amenities Fees have been collected under the various fee resolutions. GR Terra now seeks to retain the benefit of facilities funded through those Amenities Fees, and to own the property and dispose of it as it sees fit, all without any restitution for the benefit of those lot owners who paid the Amenity Fees. GR Terra further wants to perpetuate this injustice by allowing Headwaters to collect the Amenity Fees while terminating the LPA. GR Terra ultimately seeks to be free of what it now believes to be the burden of operating the Amenities for the benefit of taxpayers, occupants, visitors and invitees of Granby Ranch, and to convert those Amenities into a purely private resort, managed for the benefit of GR Terra. Neither the law nor the equities support GR Terra's position, and GRMD respectfully requests summary judgment in its favor dismissing Counts I, II, and III of the counterclaims in their entirety as a matter of law.

Dated this 15th day of March, 2022.

NORTON & SMITH,
A Professional Corporation

s/ Charles E. Norton

Charles E. Norton, #10633
Alicia M. Garcia, #53860
Counsel for Plaintiff

CERTIFICATE OF SERVICE

I certify that on the 15th day of March, 2022, a true and correct copy of the foregoing **MOTION FOR SUMMARY JUDGMENT** was served electronically and/or sent via U.S. Mail, postage prepaid to the following:

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AMENDED AND RESTATED JOINT RESOLUTION
OF THE BOARDS OF DIRECTORS OF
HEADWATERS METROPOLITAN DISTRICT
AND GRANBY RANCH METROPOLITAN DISTRICT

AND JOINT RESOLUTION OF THE BOARDS OF DIRECTORS OF
GRANBY RANCH METROPOLITAN DISTRICT NO. 2
AND GRANBY RANCH METROPOLITAN DISTRICT NO. 8

TO ESTABLISH AN AMENITY FEE

WHEREAS, the Headwaters Metropolitan District (“Headwaters”), Granby Ranch Metropolitan District (“Granby Ranch”), Granby Ranch Metropolitan District No. 2 (“Granby Ranch No. 2”), and Granby Ranch Metropolitan District No. 8 (“Granby Ranch No. 8”) (collectively, the “Districts”) were organized to provide services, programs and facilities, including the acquisition, construction, and installation of public infrastructure, within and without the boundaries of the Districts, in accordance with the “Service Plans” of the Districts; and

WHEREAS, consistent with the purpose of the Districts’ organizations and the Service Plans, the Boards of Directors of the Districts (the “Boards”) determine it to be in the best interests of the Districts, and the property owners, taxpayers, and residents of the Districts, to acquire, construct, and install certain recreational amenities benefiting the property within the Districts, which amenities include a golf course, ski area, and related improvements, trails, and other recreational improvements, facilities, appurtenances, rights-of-way and other amenities as shall from time to time be acquired, constructed and installed by Headwaters (collectively, the “Amenities”); and

WHEREAS, on May 26, 2005, the Boards of Directors of Headwaters and Granby Ranch adopted a “Joint Resolution of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish an Amenity Fee” (as amended September 6, 2006, the “Original Amenity Fee Resolution”) establishing a fair and equitable amenity fee (the “Amenity Fee”) to provide a source of funding to pay for costs incurred by Headwaters for the acquisition, construction, and installation of the Amenities; and

WHEREAS, after reviewing, evaluating, and discussing current economic conditions and payment deadlines associated with the Amenity Fee, and the operating history, capacity, and other facts and circumstances associated with the use of the Amenities, the Boards have determined it to be in the best interests of the Districts, and the property owners, taxpayers, and residents of the Districts, to amend and restate the Original Amenity Fee Resolution, and adopt this “Resolution;” and

WHEREAS, the Districts have and will continue to incur significant expenses for the financing, acquisition, construction, and installation of the Amenities; and

WHEREAS, pursuant to Section 32-1-1001(1)(j)(I), C.R.S., the Districts are authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the Districts which, until such fees, rates, tolls, charges and penalties are paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the establishment and continuation of a fair and equitable Amenity Fee will provide a source of funding to pay for costs incurred by the Districts for the acquisition, construction, and installation of the Amenities, which costs are generally attributable to the persons subject to such charges, and such fees and charges are necessary to provide for the common good and for the prosperity and general welfare of the Districts and their inhabitants and for the orderly and uniform administration of the Districts' affairs with regards to the Amenities; and

WHEREAS, Headwaters will be charged with collecting the Amenity Fee on behalf of the Districts; and

WHEREAS, the Boards find that the Amenity Fee is reasonably related to the services and facilities to be provided and that imposition thereof is necessary and appropriate; and

WHEREAS, Headwaters entered into an "Amenity Fee Agreement" with Granby Realty Holdings LLC on June 1, 2005, and Headwaters subsequently entered into an "Amenity Fee Agreement" with Aspen Meadows Condominiums, LLC on July 5, 2005 (collectively, and as may be amended from time to time, the "Amenity Fee Agreements"); and

WHEREAS, pursuant to the Original Amenity Fee Resolution and the Amenity Fee Agreements, each "Eligible Property" was provided with certain "Priority Access" to the Amenities; and

WHEREAS, the Boards have determined that each property constituting an Eligible Property prior to the adoption of this Resolution, any property that has been Transferred to a Qualified Builder prior to the adoption of this Resolution, and certain property owned and platted by GRH prior to the adoption of this Resolution (all as defined below) as such properties are shown and described in Exhibit A, attached hereto and incorporated herein by this reference ("collectively, the "Exempt Parcels") shall be entitled to the Priority Access as set forth in the Original Amenity Fee Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Boards of Directors of the Headwaters Metropolitan District, Granby Ranch Metropolitan District, Granby Ranch Metropolitan District No. 2 and Granby Ranch Metropolitan District No. 8 hereby adopt and establish an Amenity Fee as follows:

1. Definitions. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

(a) “*Affordable Housing Unit*” means a Residential Unit to which a deed restriction has been affixed, providing that the housing can only be owned and occupied in perpetuity by persons residing full-time within Grand County, or as otherwise defined by the Board of Trustees of the Town of Granby.

(b) “*Apartment Unit*” means a unit within an apartment building which unit is held for lease or rent for residential occupancy.

(c) “*Eligible Property*” means each Apartment Unit, Residential Unit and Lot for which the Amenity Fee has been paid.

(d) “*End User*” means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit, or a person or entity purchasing a Lot for the purpose of constructing a Residential Unit for private use and not-for-resale. A Qualified Builder shall not be considered an End User.

(e) “*Lot*” means each parcel of land within the Districts established by a recorded final subdivision plat.

(f) “*Qualified Builder*” means any entity approved by Headwaters, in its sole and absolute discretion, whose principal business, or the principal business of its parent or its subsidiaries, consists of constructing Apartment Units or Residential Units. By way of example, an entity purchasing Lots for resale to other entities or individuals shall not be considered to be a Qualified Builder under this definition. Notwithstanding the foregoing, Granby Realty Holdings, LLC, (“GRH”) the master-developer of the Granby Ranch project, its affiliates and assigns, and any successor or other master-developer designated by GRH, in its sole and absolute discretion, shall be deemed Qualified Builders for purposes of this definition.

(g) “*Residential Unit*” means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit, and detached single family dwelling units) located within the boundaries of the Districts, but specifically excluding an Apartment Unit.

(h) “*Transfer*” or “*Transferred*” shall include a sale, conveyance, or transfer by deed, instrument, writing, lease, or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in a tenant, tenants, purchaser or purchasers. Notwithstanding the foregoing, the following shall not be considered a “Transfer” or “Transferred” for purposes of this definition: (i) a conveyance to secure a debt or obligation (or a release, reconveyance, or foreclosure of any such security); or (ii) any conveyance that Headwaters, in its sole and absolute discretion, determines should not trigger the payment of the Amenity Fee.

2. Amenity Fee. A one-time Amenity Fee, initially imposed at the rate of \$10,000, is hereby established to be collected as provided in this Resolution, for each Apartment Unit, Residential Unit, and Lot, located within the boundaries of the Districts, for which an Amenity Fee

has not already been paid. The Boards find that the Amenity Fee as set forth in this Resolution is fair and equitable, and approximates a pro rata calculation of not more than the cost of the acquisition, construction and installation of the Amenities.

3. Priority Access. Each Eligible Property shall be entitled to priority access to certain of the Amenities as determined by the Board of Directors of Headwaters from time to time, in its sole and absolute discretion, and shall be set forth in a "Priority Access Schedule," which shall constitute the priority access in effect until such schedule is amended or repealed by Headwaters. The initial Priority Access Schedule is set forth in Exhibit B, attached hereto and incorporated herein by this reference. The owner(s) of each Eligible Property shall, no more frequently than once per year, designate a person (an "Eligible Purchaser") who shall be eligible to receive the priority access to the Amenities, as set forth in the Priority Access Schedule. In order to be an Eligible Purchaser, such individual must either (i) own a fee simple interest (including by joint tenancy or by tenancy by the entirety, but excluding tenancy in common) in an Eligible Property, or (ii) own a leasehold interest in an Eligible Property for a term of at least six months.

4. Payment of Amenity Fee. The Amenity Fee shall become due and owing to Headwaters not later than the date of: (i) the issuance of a certificate of occupancy for an Apartment Unit, (ii) the Transfer of a Residential Unit to an End User, (iii) the Transfer of a Lot to an End User, (iv) the Transfer of a Lot to any person or entity other than a Qualified Builder, or (v) to the extent a certificate of occupancy has been issued for a Residential Unit and said Residential Unit has not otherwise been Transferred to an End User, immediately upon the presentation of a lease to and application for membership benefits from "The Club at Granby Ranch," for which payment of the Amenity Fee is a prerequisite. The Amenity Fee is not established for, and shall not be collected from, any property within the Districts that is to be developed for non-residential purposes, such as the streets and roadways, golf course, clubhouse, and similar non-residential property.

5. Responsible Party. If payment of the Amenity Fee is pursuant to subsection 4(ii), (iii) or (iv) above, the Amenity Fee is payable by the transferor of such Lot or Residential Unit. If payment of the Amenity Fee is pursuant to subsection 4(i) or (v) above, the Amenity Fee is payable by the owner of the Apartment Unit, Lot or Residential Unit at the time the Amenity Fee becomes due and payable.

6. Out-of-District Users. Headwaters may determine from time to time, in its sole and absolute discretion, to allow those who reside outside of the Districts' boundaries to receive priority access to the amenities. In order to receive priority access, such individuals must pay (i) a fee, which Headwaters may establish by resolution, but which shall not be less than the Amenity Fee, and, (ii) an annual amount, which Headwaters may establish by resolution, payable on January 1 of each year. This Resolution does not cap the fee or annual amount that Headwaters may impose on individuals who reside outside of the Districts' boundaries to receive priority access.

7. Fee Increases. The Amenity Fee may be increased as adjusted on an annual basis by the change in the Denver/Boulder/Greeley Cost of Living Index, as produced by the U.S. Department of Labor Statistics, and may otherwise be increased in such amounts as are determined from time to time by Headwaters in its sole and absolute discretion.

8. Use of Amenity Fee. The revenues generated by the Amenity Fee shall be used solely for the purpose of financing the acquisition, construction, and installation of Amenities, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by GRH or other parties. This restriction on the use of Amenity Fee revenues shall be absolute and without qualification.

9. Late Fees and Penalty Interest. Any Amenity Fee not paid in full within fifteen (15) days after the scheduled due date shall be assessed a late fee of the greater of Fifteen Dollars (\$15.00) or up to five percent per month, or fraction thereof, not to exceed a total of twenty-five percent of the amount due, pursuant to § 29-1-1102(3), C.R.S. Interest will also accrue on any outstanding Amenity Fee, exclusive of assessed late fees and interest, at the rate of 12% per annum, pursuant to § 29-1-1102(7), C.R.S. Headwaters shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law including but not limited to foreclosure of its perpetual lien. The defaulting property owner shall pay all costs and expenses, including attorneys' fees, incurred by Headwaters in connection with the foregoing and such costs and expenses incurred by Headwaters shall be secured by its lien against the property to which such costs and expenses are allocable.

10. Payment. Payment for all fees, interest and delinquent charges shall be by wire or equivalent form acceptable to Headwaters, and sent on or before the due date to an account designated by Headwaters. Headwaters may change the payment instructions and account information from time to time and such change shall not require an amendment to this Resolution.

11. Amenity Fee Constitutes Lien. The Amenity Fee imposed hereunder is imposed by the Districts pursuant to Section 32-1-1001(1)(j), C.R.S., for the purpose of furnishing public facilities serving properties within the Districts and is deemed by the Districts to be necessary in order to fulfill its governmental purposes. As a result, the Amenity Fee, together with any late fees or penalty interest due thereon, constitutes a valid, perpetual lien on and against the property, such lien securing the payment of such Amenity Fee until paid in full. All such liens shall be in a senior position as against all other liens, whether or not of record, affecting the property. Such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j), C.R.S., such lien being a charge imposed for the provision of services and facilities to the property. Said lien may be foreclosed at such times as Headwaters in its sole and absolute discretion may determine.

12. Collection Procedures. Headwaters shall process all delinquent accounts in accordance with any applicable collections resolution or other rules and regulations of Headwaters, as may be adopted and amended from time to time by the Board of Directors of Headwaters, it being acknowledged that Headwaters, as the administrative agent for the Districts, and as set forth in this Resolution, is charged with the implementation, collection and enforcement of the Amenity Fee.

13. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining

portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

14. The Property. This Resolution shall apply to all property within the Districts' boundaries, including but not limited to the property set forth in Exhibit C, attached hereto and incorporated herein by this reference, and any additional property included into the Districts after the date of this Resolution.

15. Affordable Housing Units. Notwithstanding any provision in the Amenity Fee Agreements or this Resolution to the contrary, the Districts shall not impose the Amenity Fee upon any Affordable Housing Unit, and owners and residents of an Affordable Housing Unit shall not be entitled to priority access. Notwithstanding the foregoing, an individual living in an Affordable Housing Unit shall be eligible to purchase priority access on the same terms as set forth in Section 6 hereof for individuals residing outside of the Districts, as determined by Headwaters from time to time, so long as such individual owns a fee simple interest (including by joint tenancy or by tenancy by the entirety, but excluding tenancy in common) in said Affordable Housing Unit.

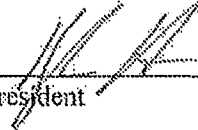
16. Prepayment of Fees. Headwaters may enter into agreements for the prepayment of Amenity Fees in order to permit property owners to avoid future increases in the Amenity Fee rate. The rate for such prepaid fees shall be the rate of the then-current Amenity Fee at the time of prepayment rather than the rate in effect at the time the Amenity Fee would otherwise be due and owing.

17. Effective Date. This Resolution was duly adopted by the Boards of Directors of the Headwaters Metropolitan District, Granby Ranch Metropolitan District, Granby Ranch Metropolitan District No. 2 and Granby Ranch Metropolitan District No. 8 at meetings held on July 17, 2013, and shall become effective immediately upon execution by both Boards, and shall supersede the Original Amenity Fee Resolution in its entirety


APPROVED and ADOPTED this 17th day of July, 2013

Signature pages follow.

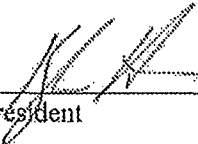
GRANBY RANCH METROPOLITAN DISTRICT
NO. 2, a quasi-municipal corporation and political
subdivision of the State of Colorado.

By  _____
President

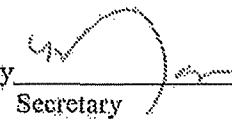
ATTEST:

By  _____
Secretary

GRANBY RANCH METROPOLITAN DISTRICT
NO. 8, a quasi-municipal corporation and political
subdivision of the State of Colorado.

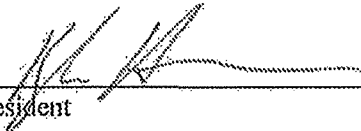
By  _____
President

ATTEST:

By  _____
Secretary

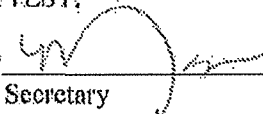
Signature page 2 of 2 to Joint Resolution to Establish an Amenity Fee

HEADWATERS METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By 

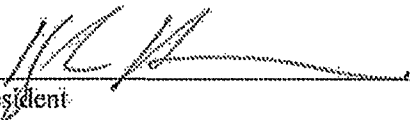
President

ATTEST:

By 

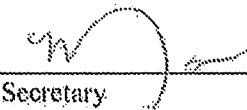
Secretary

GRANBY RANCH METROPOLITAN DISTRICT,
a quasi-municipal corporation and political subdivision
of the State of Colorado

By 

President

ATTEST:

By 

Secretary

EXHIBIT A
EXEMPT PARCELS

All of the following described lands are within Township 1 North, Range 76 West of the Sixth Principle Meridian, Grand County, Colorado.

Granby Ranch Filing No. 1:

All lots included in Granby Ranch Filing No. 1 First Administrative Plat Amendment recorded September 1, 2005 at reception #2005009514.

Granby Ranch Filing No. 1B:

All lots included in Granby Ranch Filing No. 1B recorded June 15, 2006 at reception #2006005921.

Granby Ranch Filing No. 2:

All lots included in Granby Ranch Filing No. 2 recorded May 27, 2005 at reception #2005005488.

Granby Ranch Filing No. 2B:

Lots 36 through 65 included in Granby Ranch Filing No. 2B recorded June 15, 2006 at reception #2006005927.

Granby Ranch Filing No. 3:

All lots included in Granby Ranch Filing No. 3 recorded March 15, 2005 at reception #2005002634.

Granby Ranch Filing No. 4:

All condominium units included in Aspen Meadows – As Built Condominium Map recorded July 11, 2007 at reception #2007007445;

All condominium units included in Aspen Meadows – As Built Condominium Map First Supplement recorded July 19, 2007 at reception #2007007718;

All condominium units included in Aspen Meadows – As Built Condominium Map Second Supplement recorded July 19, 2007 at reception #2007007719;

All condominium units included in Aspen Meadows – As Built Condominium Map Third Supplement recorded July 25, 2008 at reception #2008007262;

Building Lots G and H included in First Administrative Plat Amendment to Aspen Meadows Condominiums Granby Ranch Filing No. 4. recorded June 30, 2006 at reception #2006006561.

Granby Ranch Filing No. 5:

All lots included in First Administrative Plat Amendment Granby Ranch Filing No. 5 recorded December 9, 2005 at reception #2005013944.

Granby Ranch Filing No. 6:

All lots included in Granby Ranch Filing No. 6 recorded July 8, 2005 at reception #2005007220.

Granby Ranch Filing No. 8:

Lots 1 through 37, lot 65, lot 66 and lot 67 included in Granby Ranch Filing No. 8 recorded May 3, 2006 at reception #2006004206.

Granby Ranch Filing No. 9:

All condominium units included in As Built Condominium Map of Base Camp One Condominiums recorded March 27, 2009 at reception #2009002677;

Development Unit A and Development Unit B of the Final Plat of Base Camp One Condominiums recorded March 27, 2009 at reception #2009002672;

Lot 2, Granby Ranch Filing No. 9 recorded July 10, 2007 at reception #2007007428.

Granby Ranch Filing No. 10:

All lots included in Granby Ranch Filing No. 10 recorded May 10, 2007 at reception #2007005105.

Granby Ranch Filing No. 11:

Lots 1 through 17 and lot 21, lot 22 and lot 23 included in Granby Ranch Filing No. 11 recorded May 10, 2007 at reception #2007005113;

Lots 18, lot 19 and lot 20 included in Administrative Plat Amendment First Amendment Granby Ranch Filing No. 11 recorded October 22, 2008 at reception #2008010123.

Kicking Horse Lodges:

Units 1-101, 1-102, 1-103, 1-104, 1-201, 1-204, 1-301, 1-302, 1-303, 1-305, 2-104, 2-201, 2-203, 2-204, 2-301, 2-302, 2-304, 2-305, 3-101, 3-102, 3-103, 3-104, 3-203, 3-205, 3-302, 3-304, 4-102, 4-202, 4-205, 4-302, 4-304 and 4-305 included in the As Built Plat and Condominium map for Kicking Horse Lodges recorded May 15, 2001 reception #2001004370;

Units 5-102, 5-103, 5-104, 5-202, 5-204, 5-205, 5-301, 5-302, 5-303, 5-304, 5-305, 6-102, 6-201, 6-203, 6-205, 6-303, 6-305, 7-101, 7-103, 7-104, 7-105, 7-201, 7-202, 7-203, 7-204, 7-205, 7-302, 7-303, 7-304, 8-101, 8-102, 8-103, 8-104, 8-105, 8-202, 8-203, 8-205, 8-301, 8-302, 8-303, 8-304 and 8-305 included in the Administrative Plat Amendment to the Amended As Built Plat and Condominium Map for Kicking Horse Lodges Phase 2 recorded November 14, 2005 at reception #2005012874.

Silverstar Townhomes:

South Pt Lot 1, Silverstar Townhomes Subdivision recorded July 8, 2005 at reception #2005007214.

EXHIBIT B

2013 PRIORITY ACCESS SCHEDULE

Effective July 17, 2013

Each Eligible Purchaser shall be entitled to the following priority access until this schedule is amended or repealed by the Board of Directors of Headwaters Metropolitan District.

Please note that unless otherwise specified, priority access is only available to the Eligible Purchaser, the Eligible Purchaser's spouse, and the Eligible Purchaser's immediate family members under the age of 24.

Golf

- 20% discount on daily greens fees (excluding cart fees or caddie fees) off the rate charged from time to time by Headwaters (or its administrative agent or any manager retained by Headwaters, as applicable) for members of the general public residing outside of the Town of Granby (applies only to daily greens fees and not to season passes or any products)
- Tee time reservations in advance of the general public

Ski

- 20% discount on individual, single-day lift tickets, off the rate charged from time to time by Headwaters (or its administrative agent or any manager retained by Headwaters, as applicable) for members of the general public residing outside of the Town of Granby. The 20% discount is not available for season passes.

EXHIBIT C

THE PROPERTY

LEGAL DESCRIPTION

PAGE 1 OF 12

PARTS OF SECTIONS 4, 5, 7, 8, 9, 15, 16, 17, 20, 21, AND 22, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE FIRST ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 1 AS RECORDED AT RECEPTION NO. 2005-009514 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 8.397 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 1B AS RECORDED AT RECEPTION NO. 2006-005921 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 23.790 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 2 AS RECORDED AT RECEPTION NO. 2005-005488 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 53.643 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 2B AS RECORDED AT RECEPTION NO. 2006-005927 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 44.386 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 3 AS RECORDED AT RECEPTION NO. 2005-002634 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 237.39 ACRES, MORE OR LESS;

TOGETHER WITH THE FIRST ADMINISTRATIVE PLAT AMENDMENT TO ASPEN MEADOWS CONDOMINIUMS GRANBY RANCH FILING NO. 4 AS RECORDED AT RECEPTION NO. 2006-006561 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 22.930 ACRES, MORE OR LESS;

TOGETHER WITH THE FIRST ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 5 AS RECORDED AT RECEPTION NO. 2005-013944 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 26.278 ACRES, MORE OR LESS;

TOGETHER WITH LOTS 1 - 56, INCLUSIVE, AND TRACTS A - E, INCLUSIVE, OF GRANBY RANCH FILING NO. 5B AS RECORDED AT RECEPTION NO. 2006-012421 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 20.044 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 6 AS RECORDED AT RECEPTION NO. 2005-007220 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 34.066 ACRES, MORE OR LESS;

TOGETHER WITH THE FIRST ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 7 AS RECORDED AT RECEPTION NO. 2006-006560 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 8.380 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 8 AS RECORDED AT RECEPTION NO. 2006-004206 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 47.638 ACRES, MORE OR LESS;

TOGETHER WITH THE FIRST ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 9 AS RECORDED AT RECEPTION NO. 2006-013472 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 5.980 ACRES, MORE OR LESS;

TOGETHER WITH GRANBY RANCH FILING NO. 10 AS RECORDED AT RECEPTION NO. 2007-005105 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 76.035 ACRES, MORE OR LESS;

LEGAL DESCRIPTION

PAGE 2 OF 12

TOGETHER WITH GRANBY RANCH FILING NO. 11 AS RECORDED AT RECEPTION NO. 2007-005113 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 104.729 ACRES, MORE OR LESS;

TOGETHER WITH LOTS 1 AND 2 OF GRANBY RANCH FILING NO. 12 AS RECORDED AT RECEPTION NO. 2008-008905 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 4.987 ACRES, MORE OR LESS;

TOGETHER WITH LOTS 2 AND 5, TRACTS B, C AND D, AND OPEN SPACE PARCEL 2, WRANGLERS CROSSING AS RECORDED AT RECEPTION NO. 2003-007994 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 29.676 ACRES, MORE OR LESS;

TOGETHER WITH LOTS 2, 3, 4 AND 5 OF LAKEVIEW SUBDIVISION AS RECORDED AT RECEPTION NO. 203722 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;

TOGETHER WITH THE SOUTHERLY PORTION OF LOT 1, SILVERSTAR TOWNHOMES SUBDIVISION AS RECORDED AT RECEPTION NO. 2005-006360 AND 2005-007214 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
SAID PARCEL CONTAINS AN AREA OF 2.566 ACRES, MORE OR LESS;

TOGETHER WITH THAT PART OF THE EIGHTY (80) FOOT WIDE ROAD RIGHT-OF-WAY DESCRIBED AT REC. NO. 2003-007989 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER LOCATED IN SAID SECTION 16;
SAID PARCEL CONTAINS AN AREA OF 6.857 ACRES, MORE OR LESS;

TOGETHER WITH PARCEL 1:

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 5 AND CONSIDERING THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SOUTHWEST QUARTER OF SECTION 5 TO BEAR NORTH 10°34'46" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 10°34'46" EAST, ALONG SAID WEST LINE, A DISTANCE OF 2002.01 FEET;
THENCE NORTH 90°00'00" EAST, A DISTANCE OF 1148.73 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 45°51'27" EAST, A DISTANCE OF 323.05 FEET;
THENCE SOUTH 13°05'00" EAST, A DISTANCE OF 573.76 FEET;
THENCE NORTH 47°17'28" WEST, A DISTANCE OF 492.25 FEET TO THE POINT OF BEGINNING;
SAID PARCEL 1 CONTAINS AN AREA OF 1.82 ACRES, MORE OR LESS.

TOGETHER WITH PARCEL 2:

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GRAND, STATE OF COLORADO, LYING NORTHERLY OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY;
SAID PARCEL 2 CONTAINS A CALCULATED AREA OF 31.00 ACRES, MORE OR LESS.

TOGETHER WITH PARCEL 3:

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 4 AND THE NORTH HALF OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 24°07'19" EAST, A DISTANCE OF 5292.12 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 78°47'25" WEST, A DISTANCE OF 163.25 FEET;
THENCE SOUTH 35°19'21" WEST, A DISTANCE OF 132.49 FEET;
THENCE SOUTH 51°31'58" WEST, A DISTANCE OF 66.16 FEET;
THENCE SOUTH 83°14'12" WEST, A DISTANCE OF 60.79 FEET;

LEGAL DESCRIPTION

PAGE 3 OF 12

PARCEL 3 CONTINUED:

THENCE NORTH 68°06'15" WEST, A DISTANCE OF 21.21 FEET;
THENCE SOUTH 60°38'26" WEST, A DISTANCE OF 368.49 FEET;
THENCE SOUTH 68°38'33" WEST, A DISTANCE OF 53.15 FEET;
THENCE SOUTH 80°51'55" WEST, A DISTANCE OF 47.32 FEET;
THENCE NORTH 72°12'48" WEST, A DISTANCE OF 94.40 FEET;
THENCE NORTH 61°57'12" WEST, A DISTANCE OF 93.32 FEET;
THENCE NORTH 82°07'24" WEST, A DISTANCE OF 87.35 FEET;
THENCE NORTH 46°25'18" WEST, A DISTANCE OF 154.87 FEET;
THENCE NORTH 51°57'32" WEST, A DISTANCE OF 185.44 FEET;
THENCE NORTH 48°24'52" WEST, A DISTANCE OF 328.84 FEET;
THENCE NORTH 31°30'02" WEST, A DISTANCE OF 75.47 FEET;
THENCE NORTH 15°27'13" WEST, A DISTANCE OF 160.03 FEET;
THENCE NORTH 07°52'52" WEST, A DISTANCE OF 166.48 FEET;
THENCE NORTH 21°22'23" WEST, A DISTANCE OF 150.38 FEET;
THENCE NORTH 03°34'44" EAST, A DISTANCE OF 97.67 FEET;
THENCE NORTH 06°59'38" WEST, A DISTANCE OF 171.36 FEET;
THENCE NORTH 23°20'48" EAST, A DISTANCE OF 91.96 FEET;
THENCE NORTH 11°13'40" WEST, A DISTANCE OF 68.56 FEET;
THENCE NORTH 87°51'51" WEST, A DISTANCE OF 94.29 FEET;
THENCE NORTH 53°30'47" WEST, A DISTANCE OF 48.62 FEET;
THENCE NORTH 68°08'50" WEST, A DISTANCE OF 110.80 FEET;
THENCE NORTH 56°44'29" WEST, A DISTANCE OF 120.36 FEET;
THENCE NORTH 80°58'26" WEST, A DISTANCE OF 111.84 FEET;
THENCE NORTH 64°44'06" WEST, A DISTANCE OF 155.45 FEET;
THENCE NORTH 22°53'02" WEST, A DISTANCE OF 127.41 FEET;
THENCE NORTH 77°51'20" WEST, A DISTANCE OF 94.54 FEET;
THENCE NORTH 45°39'52" WEST, A DISTANCE OF 111.50 FEET;
THENCE NORTH 24°18'34" WEST, A DISTANCE OF 142.31 FEET;
THENCE SOUTH 72°51'35" WEST, A DISTANCE OF 47.42 FEET;
THENCE NORTH 42°05'34" WEST, A DISTANCE OF 95.69 FEET;
THENCE NORTH 34°41'33" WEST, A DISTANCE OF 133.02 FEET;
THENCE NORTH 29°21'22" WEST, A DISTANCE OF 99.21 FEET;
THENCE NORTH 73°48'33" EAST, A DISTANCE OF 65.16 FEET;
THENCE SOUTH 79°13'24" EAST, A DISTANCE OF 71.29 FEET;
THENCE SOUTH 39°13'10" EAST, A DISTANCE OF 274.27 FEET;
THENCE SOUTH 46°58'23" WEST, A DISTANCE OF 57.64 FEET;
THENCE SOUTH 14°19'09" EAST, A DISTANCE OF 80.36 FEET;
THENCE NORTH 70°21'39" EAST, A DISTANCE OF 51.23 FEET;
THENCE SOUTH 51°56'34" EAST, A DISTANCE OF 30.29 FEET;
THENCE SOUTH 08°37'05" WEST, A DISTANCE OF 39.78 FEET;
THENCE SOUTH 28°14'50" EAST, A DISTANCE OF 67.19 FEET;
THENCE SOUTH 83°51'03" EAST, A DISTANCE OF 59.79 FEET;
THENCE NORTH 25°27'50" EAST, A DISTANCE OF 62.15 FEET;
THENCE NORTH 65°27'49" EAST, A DISTANCE OF 157.00 FEET;
THENCE SOUTH 64°12'58" EAST, A DISTANCE OF 52.97 FEET;
THENCE SOUTH 84°40'45" EAST, A DISTANCE OF 106.79 FEET;
THENCE NORTH 13°32'50" EAST, A DISTANCE OF 68.01 FEET;
THENCE NORTH 38°43'32" EAST, A DISTANCE OF 71.32 FEET;
THENCE NORTH 87°55'13" EAST, A DISTANCE OF 230.16 FEET;
THENCE NORTH 53°24'51" EAST, A DISTANCE OF 87.28 FEET;
THENCE NORTH 89°21'10" EAST, A DISTANCE OF 174.38 FEET;
THENCE NORTH 56°08'18" EAST, A DISTANCE OF 96.7.3 FEET;
THENCE SOUTH 68°32'34" EAST, A DISTANCE OF 112.66 FEET;
THENCE SOUTH 84°45'59" EAST, A DISTANCE OF 127.39 FEET;
THENCE SOUTH 41°13'30" EAST, A DISTANCE OF 92.74 FEET;
THENCE NORTH 22°52'01" EAST, A DISTANCE OF 42.81 FEET;
THENCE NORTH 46°13'17" EAST, A DISTANCE OF 109.61 FEET;
THENCE NORTH 82°04'23" EAST, A DISTANCE OF 57.35 FEET;
THENCE SOUTH 41°46'28" EAST, A DISTANCE OF 98.06 FEET;
THENCE NORTH 40°23'14" EAST, A DISTANCE OF 55.60 FEET;
THENCE SOUTH 73°39'23" EAST, A DISTANCE OF 125.66 FEET;

LEGAL DESCRIPTION

PAGE 4 OF 12

PARCEL 3 CONTINUED:

THENCE SOUTH 66°06'13" EAST, A DISTANCE OF 1.31.12 FEET;
THENCE SOUTH 82°07'57" EAST, A DISTANCE OF 477.61 FEET;
THENCE NORTH 88°01'42" EAST, A DISTANCE OF 204.65 FEET;
THENCE SOUTH 81°22'37" EAST, A DISTANCE OF 79.32 FEET;
THENCE SOUTH 16°33'23" EAST, A DISTANCE OF 67.68 FEET;
THENCE SOUTH 84°20'44" EAST, A DISTANCE OF 140.37 FEET;
THENCE SOUTH 67°12'01" EAST, A DISTANCE OF 240.45 FEET;
THENCE SOUTH 79°00'59" EAST, A DISTANCE OF 85.94 FEET;
THENCE SOUTH 77°54'11" EAST, A DISTANCE OF 166.58 FEET;
THENCE SOUTH 56°31'21" EAST, A DISTANCE OF 246.30 FEET;
THENCE SOUTH 24°28'40" EAST, A DISTANCE OF 71.45 FEET;
THENCE SOUTH 26°24'33" WEST, A DISTANCE OF 104.32 FEET;
THENCE SOUTH 09°53'10" WEST, A DISTANCE OF 86.84 FEET;
THENCE SOUTH 02°17'26" EAST, A DISTANCE OF 77.68 FEET;
THENCE SOUTH 30°50'13" EAST, A DISTANCE OF 79.32 FEET;
THENCE SOUTH 04°21'28" EAST, A DISTANCE OF 51.55 FEET;
THENCE SOUTH 21°40'55" EAST, A DISTANCE OF 87.25 FEET;
THENCE SOUTH 47°33'38" EAST, A DISTANCE OF 75.80 FEET;
THENCE SOUTH 43°58'16" EAST, A DISTANCE OF 81.48 FEET;
THENCE SOUTH 08°55'30" EAST, A DISTANCE OF 89.85 FEET;
THENCE SOUTH 00°52'53" WEST, A DISTANCE OF 69.81 FEET;
THENCE SOUTH 07°26'20" EAST, A DISTANCE OF 96.04 FEET;
THENCE SOUTH 39°04'15" EAST, A DISTANCE OF 105.67 FEET;
THENCE SOUTH 06°37'32" WEST, A DISTANCE OF 55.88 FEET;
THENCE SOUTH 77°12'11" WEST, A DISTANCE OF 218.29 FEET;
THENCE SOUTH 79°15'40" WEST, A DISTANCE OF 252.78 FEET;
THENCE NORTH 83°52'38" WEST, A DISTANCE OF 70.32 FEET;
THENCE SOUTH 75°32'07" WEST, A DISTANCE OF 61.38 FEET;
THENCE SOUTH 82°10'21" WEST, A DISTANCE OF 67.60 FEET;
THENCE SOUTH 69°19'31" WEST, A DISTANCE OF 104.46 FEET;
THENCE SOUTH 84°49'41" WEST, A DISTANCE OF 151.45 FEET;
THENCE NORTH 65°49'42" WEST, A DISTANCE OF 83.24 FEET;
THENCE SOUTH 48°21'20" WEST, A DISTANCE OF 62.07 FEET;
THENCE SOUTH 86°56'46" WEST, A DISTANCE OF 71.17 FEET;
THENCE SOUTH 63°33'48" WEST, A DISTANCE OF 112.87 FEET TO THE POINT OF BEGINNING,
SAID PARCEL 3 CONTAINS A GROSS AREA OF 111.31 ACRES, MORE OR LESS;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 4 AND THE NORTH HALF OF SECTION 9,
TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY
OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP
1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF
THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS
CONTAINED HEREIN RELATIVE THERETO;
THENCE NORTH 20°01'49" EAST, A DISTANCE OF 5108.17 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 86°38'35" WEST, A DISTANCE OF 58.98 FEET;
THENCE SOUTH 72°46'32" WEST, A DISTANCE OF 43.49 FEET;
THENCE SOUTH 46°10'36" WEST, A DISTANCE OF 37.60 FEET;
THENCE SOUTH 67°08'56" WEST, A DISTANCE OF 42.49 FEET;
THENCE SOUTH 75°05'11" WEST, A DISTANCE OF 21.02 FEET;
THENCE SOUTH 57°54'37" WEST, A DISTANCE OF 26.49 FEET;
THENCE SOUTH 33°40'26" WEST, A DISTANCE OF 33.91 FEET;
THENCE SOUTH 22°12'44" WEST, A DISTANCE OF 43.97 FEET;
THENCE SOUTH 33°49'06" WEST, A DISTANCE OF 100.58 FEET;
THENCE SOUTH 71°03'11" WEST, A DISTANCE OF 141.99 FEET;
THENCE NORTH 67°22'21" WEST, A DISTANCE OF 29.91 FEET;
THENCE NORTH 76°23'53" WEST, A DISTANCE OF 65.61 FEET;
THENCE NORTH 64°07'32" WEST, A DISTANCE OF 47.27 FEET;
THENCE NORTH 40°20'20" WEST, A DISTANCE OF 25.42 FEET;
THENCE NORTH 18°23'18" WEST, A DISTANCE OF 45.29 FEET;

LEGAL DESCRIPTION

PAGE 5 OF 12

PARCEL 3 EXCEPTION CONTINUED:

THENCE NORTH 38'58'59" WEST, A DISTANCE OF 29.01 FEET;
THENCE NORTH 64'53'42" WEST, A DISTANCE OF 102.28 FEET;
THENCE NORTH 28'36'31" WEST, A DISTANCE OF 31.73 FEET;
THENCE NORTH 06'02'51" WEST, A DISTANCE OF 43.13 FEET;
THENCE NORTH 14'34'12" WEST, A DISTANCE OF 28.26 FEET;
THENCE NORTH 28'32'18" WEST, A DISTANCE OF 23.62 FEET;
THENCE NORTH 64'58'42" WEST, A DISTANCE OF 25.39 FEET;
THENCE SOUTH 70'41'17" WEST, A DISTANCE OF 31.29 FEET;
THENCE NORTH 72'46'04" WEST, A DISTANCE OF 26.87 FEET;
THENCE NORTH 22'36'35" WEST, A DISTANCE OF 40.17 FEET;
THENCE NORTH 19'52'45" WEST, A DISTANCE OF 29.06 FEET;
THENCE NORTH 32'33'41" WEST, A DISTANCE OF 46.08 FEET;
THENCE NORTH 17'20'50" WEST, A DISTANCE OF 63.64 FEET;
THENCE NORTH 10'04'53" WEST, A DISTANCE OF 44.86 FEET;
THENCE NORTH 00'07'52" WEST, A DISTANCE OF 58.85 FEET;
THENCE NORTH 14'38'27" WEST, A DISTANCE OF 23.58 FEET;
THENCE NORTH 30'14'12" WEST, A DISTANCE OF 56.79 FEET;
THENCE NORTH 21'45'07" WEST, A DISTANCE OF 32.76 FEET;
THENCE NORTH 30'19'22" WEST, A DISTANCE OF 90.99 FEET;
THENCE NORTH 28'04'59" WEST, A DISTANCE OF 63.70 FEET;
THENCE NORTH 08'56'26" WEST, A DISTANCE OF 45.60 FEET;
THENCE NORTH 00'33'56" WEST, A DISTANCE OF 65.20 FEET;
THENCE NORTH 00'08'07" WEST, A DISTANCE OF 55.27 FEET;
THENCE NORTH 00'44'36" WEST, A DISTANCE OF 29.16 FEET;
THENCE NORTH 17'01'54" WEST, A DISTANCE OF 28.62 FEET;
THENCE NORTH 21'48'52" WEST, A DISTANCE OF 36.06 FEET;
THENCE NORTH 01'20'59" WEST, A DISTANCE OF 53.53 FEET;
THENCE NORTH 12'18'25" EAST, A DISTANCE OF 83.18 FEET;
THENCE NORTH 16'30'13" EAST, A DISTANCE OF 34.31 FEET;
THENCE NORTH 02'51'41" EAST, A DISTANCE OF 63.32 FEET;
THENCE NORTH 11'00'02" WEST, A DISTANCE OF 46.57 FEET;
THENCE NORTH 25'44'16" WEST, A DISTANCE OF 98.47 FEET;
THENCE NORTH 05'36'56" WEST, A DISTANCE OF 30.39 FEET;
THENCE NORTH 36'24'16" WEST, A DISTANCE OF 52.00 FEET;
THENCE NORTH 36'32'26" WEST, A DISTANCE OF 26.84 FEET;
THENCE NORTH 11'53'56" WEST, A DISTANCE OF 183.27 FEET;
THENCE NORTH 14'25'52" EAST, A DISTANCE OF 52.02 FEET;
THENCE NORTH 29'20'26" EAST, A DISTANCE OF 62.68 FEET;
THENCE NORTH 69'27'19" EAST, A DISTANCE OF 39.30 FEET;
THENCE NORTH 62'30'26" EAST, A DISTANCE OF 59.69 FEET;
THENCE NORTH 80'28'14" EAST, A DISTANCE OF 45.30 FEET;
THENCE NORTH 88'49'59" EAST, A DISTANCE OF 49.02 FEET;
THENCE SOUTH 76'19'15" EAST, A DISTANCE OF 95.86 FEET;
THENCE SOUTH 50'44'24" EAST, A DISTANCE OF 34.79 FEET;
THENCE SOUTH 24'59'26" EAST, A DISTANCE OF 37.55 FEET;
THENCE SOUTH 37'11'45" EAST, A DISTANCE OF 106.64 FEET;
THENCE SOUTH 72'24'45" EAST, A DISTANCE OF 41.23 FEET;
THENCE SOUTH 82'42'20" EAST, A DISTANCE OF 55.66 FEET;
THENCE SOUTH 72'07'20" EAST, A DISTANCE OF 98.19 FEET;
THENCE SOUTH 61'53'35" EAST, A DISTANCE OF 66.69 FEET;
THENCE SOUTH 53'49'55" EAST, A DISTANCE OF 50.01 FEET;
THENCE SOUTH 42'34'36" EAST, A DISTANCE OF 37.86 FEET;
THENCE SOUTH 34'30'47" EAST, A DISTANCE OF 28.33 FEET;
THENCE SOUTH 47'23'55" EAST, A DISTANCE OF 147.93 FEET;
THENCE SOUTH 45'48'22" EAST, A DISTANCE OF 48.35 FEET;
THENCE SOUTH 32'09'35" EAST, A DISTANCE OF 76.73 FEET;
THENCE SOUTH 41'26'43" EAST, A DISTANCE OF 48.00 FEET;
THENCE SOUTH 45'12'35" EAST, A DISTANCE OF 61.63 FEET;
THENCE SOUTH 36'20'51" EAST, A DISTANCE OF 70.53 FEET;
THENCE SOUTH 46'15'19" EAST, A DISTANCE OF 61.48 FEET;
THENCE SOUTH 53'40'48" EAST, A DISTANCE OF 62.84 FEET;

LEGAL DESCRIPTION

PAGE 6 OF 12

PARCEL 3 EXCEPTION CONTINUED:

THENCE SOUTH 02'31'08" EAST, A DISTANCE OF 54.11 FEET;
THENCE SOUTH 15'16'49" EAST, A DISTANCE OF 78.97 FEET;
THENCE SOUTH 18'12'50" EAST, A DISTANCE OF 112.80 FEET;
THENCE SOUTH 12'10'47" EAST, A DISTANCE OF 100.50 FEET;
THENCE SOUTH 06'29'41" EAST, A DISTANCE OF 129.73 FEET;
THENCE SOUTH 16'49'46" WEST, A DISTANCE OF 87.50 FEET;
THENCE SOUTH 01'11'55" WEST, A DISTANCE OF 154.65 FEET;
THENCE SOUTH 18'35'11" WEST, A DISTANCE OF 43.36 FEET;
THENCE SOUTH 09'35'21" WEST, A DISTANCE OF 85.95 FEET;
THENCE SOUTH 55'07'08" WEST, A DISTANCE OF 29.42 FEET TO THE POINT OF BEGINNING,
SAID EXCEPTED PARCEL CONTAINS A CALCULATED AREA OF 33.38 ACRES, MORE OR LESS;
THE NET AREA OF PARCEL 3 AFTER EXCEPTION IS 77.928 ACRES, MORE OR LESS.

TOGETHER WITH PARCEL 4:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88'38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 23'23'47" EAST, A DISTANCE OF 4054.03 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 22'32'13" WEST, A DISTANCE OF 67.33 FEET;
THENCE NORTH 41'45'40" WEST, A DISTANCE OF 65.72 FEET;
THENCE NORTH 36'12'35" WEST, A DISTANCE OF 70.46 FEET;
THENCE NORTH 09'47'35" WEST, A DISTANCE OF 83.86 FEET;
THENCE NORTH 57'14'35" EAST, A DISTANCE OF 142.17 FEET;
THENCE NORTH 28'15'10" EAST, A DISTANCE OF 79.96 FEET;
THENCE NORTH 42'41'22" EAST, A DISTANCE OF 66.46 FEET;
THENCE NORTH 22'46'58" EAST, A DISTANCE OF 58.81 FEET;
THENCE NORTH 05'42'12" WEST, A DISTANCE OF 135.05 FEET;
THENCE NORTH 41'20'11" WEST, A DISTANCE OF 36.09 FEET;
THENCE SOUTH 83'42'01" WEST, A DISTANCE OF 51.56 FEET;
THENCE NORTH 35'04'28" WEST, A DISTANCE OF 61.74 FEET;
THENCE SOUTH 86'15'56" WEST, A DISTANCE OF 74.59 FEET;
THENCE NORTH 05'59'49" WEST, A DISTANCE OF 18.59 FEET;
THENCE NORTH 80'55'02" EAST, A DISTANCE OF 277.05 FEET;
THENCE SOUTH 13'11'14" EAST, A DISTANCE OF 28.80 FEET;
THENCE SOUTH 27'32'14" WEST, A DISTANCE OF 43.04 FEET;
THENCE SOUTH 17'59'41" EAST, A DISTANCE OF 57.88 FEET;
THENCE SOUTH 00'00'42" EAST, A DISTANCE OF 115.67 FEET;
THENCE SOUTH 05'21'27" EAST, A DISTANCE OF 109.22 FEET;
THENCE SOUTH 37'30'03" WEST, A DISTANCE OF 103.69 FEET;
THENCE SOUTH 05'33'23" WEST, A DISTANCE OF 183.33 FEET;
THENCE SOUTH 37'55'57" EAST, A DISTANCE OF 77.94 FEET;
THENCE SOUTH 18'18'43" WEST, A DISTANCE OF 59.33 FEET;
THENCE SOUTH 56'19'33" WEST, A DISTANCE OF 82.46 FEET;
THENCE NORTH 82'20'58" WEST, A DISTANCE OF 68.14 FEET TO THE POINT OF BEGINNING,
SAID PARCEL 4 CONTAINS A CALCULATED AREA OF 2.672 ACRES, MORE OR LESS;

TOGETHER WITH PARCEL 5:

A PARCEL OF LAND LOCATED IN THE WEST HALF OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88'38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 48'58'10" WEST, A DISTANCE OF 949.01 FEET TO THE POINT OF BEGINNING;

LEGAL DESCRIPTION

PAGE 7 OF 12

PARCEL 5 CONTINUED:

THENCE SOUTH 27'39'05" WEST, A DISTANCE OF 149.56 FEET;
THENCE NORTH 21'49'51" WEST, A DISTANCE OF 85.31 FEET;
THENCE NORTH 02'16'58" EAST, A DISTANCE OF 95.73 FEET;
THENCE NORTH 19'40'54" WEST, A DISTANCE OF 122.30 FEET;
THENCE NORTH 02'50'12" WEST, A DISTANCE OF 91.94 FEET;
THENCE NORTH 18'59'59" WEST, A DISTANCE OF 114.67 FEET;
THENCE SOUTH 90'00'00" WEST, A DISTANCE OF 31.02 FEET;
THENCE SOUTH 31'07'32" WEST, A DISTANCE OF 78.31 FEET;
THENCE SOUTH 05'20'45" WEST, A DISTANCE OF 120.20 FEET;
THENCE SOUTH 02'26'45" WEST, A DISTANCE OF 100.38 FEET;
THENCE SOUTH 04'02'51" WEST, A DISTANCE OF 204.18 FEET;
THENCE SOUTH 14'20'29" WEST, A DISTANCE OF 164.88 FEET;
THENCE SOUTH 21'12'57" WEST, A DISTANCE OF 70.29 FEET;
THENCE SOUTH 60'57'36" WEST, A DISTANCE OF 110.15 FEET;
THENCE NORTH 87'13'39" WEST, A DISTANCE OF 90.06 FEET;
THENCE NORTH 15'02'55" WEST, A DISTANCE OF 141.96 FEET;
THENCE NORTH 04'12'38" EAST, A DISTANCE OF 152.32 FEET;
THENCE NORTH 06'26'21" EAST, A DISTANCE OF 190.62 FEET;
THENCE NORTH 17'54'52" WEST, A DISTANCE OF 121.68 FEET;
THENCE NORTH 06'21'04" EAST, A DISTANCE OF 102.49 FEET;
THENCE NORTH 15'56'21" EAST, A DISTANCE OF 313.13 FEET;
THENCE NORTH 12'24'16" EAST, A DISTANCE OF 262.38 FEET;
THENCE NORTH 04'53'46" EAST, A DISTANCE OF 264.05 FEET;
THENCE NORTH 39'38'10" EAST, A DISTANCE OF 35.47 FEET;
THENCE NORTH 78'38'27" EAST, A DISTANCE OF 108.22 FEET;
THENCE NORTH 12'11'54" EAST, A DISTANCE OF 144.88 FEET;
THENCE NORTH 57'01'32" EAST, A DISTANCE OF 81.13 FEET;
THENCE NORTH 35'24'11" EAST, A DISTANCE OF 58.37 FEET;
THENCE NORTH 39'59'50" EAST, A DISTANCE OF 125.13 FEET;
THENCE NORTH 25'56'46" EAST, A DISTANCE OF 148.00 FEET;
THENCE NORTH 34'59'42" EAST, A DISTANCE OF 89.86 FEET;
THENCE NORTH 18'57'13" EAST, A DISTANCE OF 120.37 FEET;
THENCE NORTH 28'31'37" EAST, A DISTANCE OF 79.61 FEET;
THENCE NORTH 04'37'14" EAST, A DISTANCE OF 66.36 FEET;
THENCE NORTH 20'45'26" EAST, A DISTANCE OF 119.34 FEET;
THENCE NORTH 34'01'38" EAST, A DISTANCE OF 57.73 FEET;
THENCE NORTH 51'45'22" EAST, A DISTANCE OF 75.61 FEET;
THENCE NORTH 61'34'35" EAST, A DISTANCE OF 222.24 FEET;
THENCE SOUTH 63'32'41" EAST, A DISTANCE OF 106.62 FEET;
THENCE SOUTH 77'22'29" EAST, A DISTANCE OF 81.80 FEET;
THENCE NORTH 78'50'24" EAST, A DISTANCE OF 160.26 FEET;
THENCE SOUTH 86'01'42" EAST, A DISTANCE OF 96.95 FEET;
THENCE NORTH 67'15'54" EAST, A DISTANCE OF 60.50 FEET;
THENCE NORTH 82'24'59" EAST, A DISTANCE OF 39.98 FEET;
THENCE SOUTH 39'09'53" EAST, A DISTANCE OF 36.16 FEET;
THENCE SOUTH 05'49'59" WEST, A DISTANCE OF 88.47 FEET;
THENCE SOUTH 35'11'24" EAST, A DISTANCE OF 49.09 FEET;
THENCE NORTH 62'06'13" EAST, A DISTANCE OF 68.56 FEET;
THENCE SOUTH 18'17'35" EAST, A DISTANCE OF 86.80 FEET;
THENCE SOUTH 16'56'59" EAST, A DISTANCE OF 73.19 FEET;
THENCE NORTH 66'29'56" WEST, A DISTANCE OF 70.79 FEET;
THENCE SOUTH 81'00'13" WEST, A DISTANCE OF 89.18 FEET;
THENCE SOUTH 44'58'52" WEST, A DISTANCE OF 45.06 FEET;
THENCE SOUTH 12'28'45" EAST, A DISTANCE OF 51.01 FEET;
THENCE NORTH 76'57'53" EAST, A DISTANCE OF 52.93 FEET;
THENCE SOUTH 79'49'58" EAST, A DISTANCE OF 49.58 FEET;
THENCE SOUTH 07'39'34" WEST, A DISTANCE OF 86.53 FEET;
THENCE SOUTH 24'56'04" EAST, A DISTANCE OF 104.72 FEET;
THENCE SOUTH 23'49'54" WEST, A DISTANCE OF 57.42 FEET;
THENCE SOUTH 50'21'02" WEST, A DISTANCE OF 249.87 FEET;
THENCE SOUTH 64'05'45" WEST, A DISTANCE OF 307.77 FEET;

LEGAL DESCRIPTION

PAGE 8 OF 12

PARCEL 5 CONTINUED:

THENCE SOUTH 45°21'15" WEST, A DISTANCE OF 217.70 FEET;
THENCE SOUTH 17°45'31" EAST, A DISTANCE OF 94.51 FEET;
THENCE SOUTH 41°28'07" WEST, A DISTANCE OF 218.66 FEET;
THENCE SOUTH 24°48'52" WEST, A DISTANCE OF 98.87 FEET;
THENCE SOUTH 18°35'35" EAST, A DISTANCE OF 144.24 FEET;
THENCE SOUTH 09°37'22" EAST, A DISTANCE OF 102.50 FEET;
THENCE SOUTH 12°47'12" WEST, A DISTANCE OF 140.40 FEET;
THENCE NORTH 89°19'22" EAST, A DISTANCE OF 57.18 FEET;
THENCE SOUTH 65°15'57" EAST, A DISTANCE OF 43.57 FEET;
THENCE SOUTH 04°34'27" WEST, A DISTANCE OF 90.43 FEET;
THENCE SOUTH 16°53'14" WEST, A DISTANCE OF 120.22 FEET;
THENCE NORTH 89°17'49" WEST, A DISTANCE OF 102.69 FEET;
THENCE SOUTH 71°44'29" WEST, A DISTANCE OF 214.86 FEET;
THENCE SOUTH 25°49'26" WEST, A DISTANCE OF 86.57 FEET;
THENCE SOUTH 17°12'32" WEST, A DISTANCE OF 143.89 FEET TO THE POINT OF BEGINNING,
SAID PARCEL 5 CONTAINS A CALCULATED AREA OF 43.614 ACRES, MORE OR LESS;

TOGETHER WITH PARCEL 6:

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 9 AND THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 16 AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 26°44'12" WEST, A DISTANCE OF 571.88 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 10°49'06" EAST, A DISTANCE OF 171.78 FEET;
THENCE SOUTH 31°11'51" WEST, A DISTANCE OF 69.43 FEET;
THENCE SOUTH 30°16'00" EAST, A DISTANCE OF 215.08 FEET;
THENCE SOUTH 04°11'05" EAST, A DISTANCE OF 200.36 FEET;
THENCE SOUTH 22°03'30" WEST, A DISTANCE OF 190.31 FEET;
THENCE SOUTH 23°39'38" WEST, A DISTANCE OF 264.41 FEET;
THENCE SOUTH 24°58'22" WEST, A DISTANCE OF 115.00 FEET;
THENCE SOUTH 10°51'59" WEST, A DISTANCE OF 86.25 FEET;
THENCE SOUTH 30°43'41" WEST, A DISTANCE OF 238.89 FEET;
THENCE SOUTH 41°30'36" WEST, A DISTANCE OF 87.33 FEET;
THENCE SOUTH 18°22'17" WEST, A DISTANCE OF 99.73 FEET;
THENCE SOUTH 39°28'33" WEST, A DISTANCE OF 65.32 FEET;
THENCE SOUTH 11°27'17" WEST, A DISTANCE OF 75.79 FEET;
THENCE SOUTH 55°40'15" WEST, A DISTANCE OF 123.34 FEET;
THENCE SOUTH 13°38'01" WEST, A DISTANCE OF 64.58 FEET;
THENCE SOUTH 47°16'02" WEST, A DISTANCE OF 87.81 FEET;
THENCE NORTH 86°35'47" WEST, A DISTANCE OF 65.54 FEET;
THENCE SOUTH 78°18'36" WEST, A DISTANCE OF 131.94 FEET;
THENCE SOUTH 51°51'24" WEST, A DISTANCE OF 67.58 FEET;
THENCE SOUTH 67°51'37" WEST, A DISTANCE OF 109.15 FEET;
THENCE SOUTH 11°11'42" WEST, A DISTANCE OF 122.16 FEET;
THENCE SOUTH 69°13'13" WEST, A DISTANCE OF 188.52 FEET;
THENCE SOUTH 54°18'35" WEST, A DISTANCE OF 134.87 FEET;
THENCE NORTH 52°47'23" WEST, A DISTANCE OF 52.62 FEET;
THENCE SOUTH 78°05'00" WEST, A DISTANCE OF 71.47 FEET;
THENCE SOUTH 41°40'33" WEST, A DISTANCE OF 32.64 FEET;
THENCE SOUTH 00°36'21" WEST, A DISTANCE OF 49.50 FEET;
THENCE SOUTH 36°08'18" WEST, A DISTANCE OF 71.00 FEET;
THENCE SOUTH 51°14'10" WEST, A DISTANCE OF 68.71 FEET;
THENCE NORTH 76°12'40" WEST, A DISTANCE OF 75.76 FEET;
THENCE NORTH 36°58'35" WEST, A DISTANCE OF 49.72 FEET;
THENCE NORTH 10°19'49" WEST, A DISTANCE OF 114.91 FEET;
THENCE NORTH 24°05'05" EAST, A DISTANCE OF 63.10 FEET;
THENCE NORTH 15°11'40" WEST, A DISTANCE OF 155.34 FEET;

LEGAL DESCRIPTION

PAGE 9 OF 12

PARCEL 6 CONTINUED;

THENCE NORTH 87°04'56" WEST, A DISTANCE OF 83.10 FEET;
THENCE NORTH 65°31'18" WEST, A DISTANCE OF 60.38 FEET;
THENCE NORTH 11°40'03" EAST, A DISTANCE OF 65.27 FEET;
THENCE SOUTH 85°25'56" EAST, A DISTANCE OF 85.07 FEET;
THENCE SOUTH 72°57'12" EAST, A DISTANCE OF 111.59 FEET;
THENCE NORTH 59°41'08" EAST, A DISTANCE OF 67.87 FEET;
THENCE NORTH 87°25'31" EAST, A DISTANCE OF 96.77 FEET;
THENCE NORTH 35°17'22" EAST, A DISTANCE OF 85.17 FEET;
THENCE NORTH 42°20'14" EAST, A DISTANCE OF 173.28 FEET;
THENCE NORTH 67°27'08" EAST, A DISTANCE OF 187.78 FEET;
THENCE NORTH 53°50'25" EAST, A DISTANCE OF 183.67 FEET;
THENCE NORTH 42°27'46" EAST, A DISTANCE OF 122.32 FEET;
THENCE NORTH 64°40'04" EAST, A DISTANCE OF 60.50 FEET;
THENCE NORTH 28°59'59" EAST, A DISTANCE OF 74.31 FEET;
THENCE NORTH 01°00'12" WEST, A DISTANCE OF 170.85 FEET;
THENCE NORTH 41°17'24" EAST, A DISTANCE OF 74.77 FEET;
THENCE NORTH 15°21'08" EAST, A DISTANCE OF 57.99 FEET;
THENCE NORTH 31°53'32" EAST, A DISTANCE OF 133.53 FEET;
THENCE SOUTH 86°38'08" EAST, A DISTANCE OF 65.21 FEET;
THENCE NORTH 06°10'55" EAST, A DISTANCE OF 64.88 FEET;
THENCE NORTH 46°20'47" EAST, A DISTANCE OF 106.06 FEET;
THENCE NORTH 44°41'02" EAST, A DISTANCE OF 67.03 FEET;
THENCE NORTH 02°52'47" EAST, A DISTANCE OF 203.27 FEET;
THENCE NORTH 10°49'47" EAST, A DISTANCE OF 141.19 FEET;
THENCE NORTH 25°50'54" EAST, A DISTANCE OF 204.17 FEET;
THENCE NORTH 33°56'56" EAST, A DISTANCE OF 113.87 FEET;
THENCE NORTH 11°18'19" EAST, A DISTANCE OF 161.91 FEET;
THENCE NORTH 59°56'47" EAST, A DISTANCE OF 145.06 FEET;
THENCE SOUTH 56°47'03" EAST, A DISTANCE OF 49.98 FEET TO THE POINT OF BEGINNING,
SAID PARCEL 6 CONTAINS A CALCULATED AREA OF 26.548 ACRES, MORE OR LESS;

TOGETHER WITH PARCEL 7:

PART OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 9 AND CONSIDERING THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 9 TO BEAR SOUTH 85°13'21" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 85°13'21" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 51.08 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 01°41'58" WEST, A DISTANCE OF 42.18 FEET;

THENCE NORTH 88°18'02" EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 01°41'58" WEST, A DISTANCE OF 29.00 FEET;

THENCE NORTH 88°18'02" EAST, A DISTANCE OF 60.00 FEET;

THENCE SOUTH 79°32'16" EAST, A DISTANCE OF 92.73 FEET;

THENCE SOUTH 27°37'15" EAST, A DISTANCE OF 55.08 FEET;

THENCE SOUTH 28°35'17" EAST, A DISTANCE OF 30.42 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 9;

THENCE NORTH 85°13'21" WEST, ALONG SAID LINE, A DISTANCE OF 221.90 FEET TO THE POINT OF BEGINNING;

SAID PARCEL 7 CONTAINS A CALCULATED AREA OF 0.331 ACRE, MORE OR LESS;

TOGETHER WITH PARCEL 8:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 17 AND THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF

LEGAL DESCRIPTION

PAGE 10 OF 12

PARCEL 8 CONTINUED:

SAID SECTION 16 TO BEAR SOUTH 88°03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE SOUTH 78°20'20" WEST, A DISTANCE OF 6915.33 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 29°40'56" WEST, A DISTANCE OF 348.56 FEET;
THENCE NORTH 39°20'38" WEST, A DISTANCE OF 356.52 FEET;
THENCE NORTH 36°59'58" EAST, A DISTANCE OF 336.92 FEET;
THENCE NORTH 28°32'00" WEST, A DISTANCE OF 243.37 FEET;
THENCE NORTH 19°06'15" EAST, A DISTANCE OF 274.21 FEET;
THENCE NORTH 19°20'21" WEST, A DISTANCE OF 180.51 FEET;
THENCE NORTH 04°42'05" EAST, A DISTANCE OF 120.69 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 87°23'52", A RADIUS OF 210.00 FEET, AN ARC LENGTH OF 320.33 FEET, AND A CHORD THAT BEARS SOUTH 65°51'24" EAST;
THENCE SOUTH 22°09'28" EAST, A DISTANCE OF 416.94 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 51°27'15", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 188.59 FEET;
THENCE SOUTH 29°17'47" WEST, A DISTANCE OF 258.29 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 30°24'36", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 100.84 FEET;
THENCE SOUTH 01°06'49" EAST, A DISTANCE OF 588.47 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°15'11", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 14.10 FEET TO THE POINT OF BEGINNING;
SAID PARCEL 8 CONTAINS AN AREA OF 10.299 ACRES, MORE OR LESS;

TOGETHER WITH PARCEL 9:

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 16, THE SOUTHEAST QUARTER OF SECTION 17, THE NORTHEAST QUARTER OF SECTION 20, THE NORTH HALF OF SECTION 21, AND THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 16 AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE SOUTH 05°26'12" WEST, A DISTANCE OF 462.06 FEET;
THENCE SOUTH 40°07'39" EAST, A DISTANCE OF 469.61 FEET;
THENCE SOUTH 04°18'25" EAST, A DISTANCE OF 462.16 FEET;
THENCE SOUTH 33°32'02" WEST, A DISTANCE OF 915.51 FEET;
THENCE SOUTH 81°08'12" WEST, A DISTANCE OF 1873.21 FEET;
THENCE NORTH 70°30'00" WEST, A DISTANCE OF 668.03 FEET;
THENCE NORTH 23°18'26" WEST, A DISTANCE OF 776.98 FEET;
THENCE NORTH 30°49'51" WEST, A DISTANCE OF 328.94 FEET;
THENCE NORTH 09°04'28" EAST, A DISTANCE OF 313.33 FEET;
THENCE NORTH 07°43'55" WEST, A DISTANCE OF 706.28 FEET;
THENCE SOUTH 83°39'49" WEST, A DISTANCE OF 179.60 FEET;
THENCE NORTH 18°13'07" WEST, A DISTANCE OF 396.49 FEET;
THENCE SOUTH 76°42'33" WEST, A DISTANCE OF 157.49 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE SOUTH 06°26'26" WEST, ALONG SAID EAST LINE, A DISTANCE OF 93.33 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE NORTH 88°04'12" WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16, A DISTANCE OF 92.88 FEET;
THENCE SOUTH 14°43'51" EAST, A DISTANCE OF 507.37 FEET;
THENCE SOUTH 77°24'42" WEST, A DISTANCE OF 81.46 FEET;
THENCE NORTH 46°17'56" WEST, A DISTANCE OF 145.16 FEET;
THENCE SOUTH 83°40'40" WEST, A DISTANCE OF 588.82 FEET;
THENCE NORTH 81°31'51" WEST, A DISTANCE OF 451.13 FEET;
THENCE SOUTH 52°15'23" WEST, A DISTANCE OF 243.82 FEET;
THENCE SOUTH 45°27'54" WEST, A DISTANCE OF 446.51 FEET;
THENCE SOUTH 08°47'03" WEST, A DISTANCE OF 161.42 FEET TO A POINT ON THE WESTERLY BOUNDARY OF THE 7.80 ACRE OPEN SPACE PARCEL DEDICATED BY WESTRIDGE SUBDIVISION, THE PLAT OF WHICH

LEGAL DESCRIPTION

PAGE 11 OF 12

PARCEL 9 CONTINUED;
IS RECORDED AT RECEPTION NO. 203775 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
THENCE SOUTH 16°16'51" WEST, ALONG SAID WESTERLY BOUNDARY, A DISTANCE OF 502.04 FEET;
THENCE SOUTH 72°02'29" WEST, A DISTANCE OF 283.80 FEET;
THENCE SOUTH 46°48'58" WEST, A DISTANCE OF 229.29 FEET;
THENCE SOUTH 86°25'33" WEST, A DISTANCE OF 322.14 FEET;
THENCE NORTH 03°33'35" WEST, A DISTANCE OF 698.83 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 62°49'37", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 230.27 FEET;
THENCE NORTH 59°16'01" EAST, A DISTANCE OF 245.18 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 64°03'40", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 212.43 FEET;
THENCE NORTH 04°47'39" WEST, A DISTANCE OF 164.28 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 74°06'19", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 245.74 FEET;
THENCE NORTH 78°53'58" WEST, A DISTANCE OF 129.25 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 91°01'52", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 333.65 FEET;
THENCE NORTH 12°07'54" EAST, A DISTANCE OF 159.45 FEET;
THENCE SOUTH 47°40'17" EAST, A DISTANCE OF 55.96 FEET;
THENCE NORTH 72°23'16" EAST, A DISTANCE OF 889.28 FEET;
THENCE SOUTH 55°44'06" EAST, A DISTANCE OF 525.10 FEET;
THENCE NORTH 70°01'41" EAST, A DISTANCE OF 156.93 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE NORTH 08°12'10" EAST, ALONG SAID WEST LINE, A DISTANCE OF 1203.61 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE SOUTH 87°50'43" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16, A DISTANCE OF 775.92 FEET;
THENCE NORTH 19°35'43" EAST, A DISTANCE OF 96.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF VILLAGE DRIVE AS DEDICATED BY THE PLAT OF SILVERGATE SUBDIVISION RECORDED AT RECEPTION NO. 203772 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
THENCE SOUTH 12°13'04" EAST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 35.85 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THAT EIGHTY (80) FOOT WIDE RIGHT-OF-WAY DESCRIBED AT RECEPTION NO. 2003-007992 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES
1) THENCE SOUTH 12°13'04" EAST, A DISTANCE OF 51.14 FEET TO A POINT OF CURVATURE;
2) THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01°43'26", A RADIUS OF 262.00 FEET, AND AN ARC LENGTH OF 7.88 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE SOUTH 87°50'43" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 84.27 FEET TO A POINT ON A CURVE ON THE SOUTHERLY BOUNDARY OF TRACT B, WRANGLERS CROSSING AS RECORDED AT RECEPTION NO. 2003-007994 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
THENCE ALONG SAID SOUTHERLY BOUNDARY, ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 99°55'34", A RADIUS OF 182.00 FEET, AN ARC LENGTH OF 317.41 FEET, AND A CHORD THAT BEARS SOUTH 71°26'25" EAST TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 16;
THENCE SOUTH 06°26'26" WEST, ALONG SAID EAST LINE, A DISTANCE OF 93.90 FEET TO A POINT ON A CURVE ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID EIGHTY (80) FOOT WIDE RIGHT-OF-WAY DESCRIBED AT RECEPTION NO. 2003-007992;
THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:
1) THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 16°06'47", A RADIUS OF 262.00 FEET, AN ARC LENGTH OF 73.68 FEET, AND A CHORD THAT BEARS NORTH 63°20'20" EAST;
2) THENCE NORTH 55°16'56" EAST, A DISTANCE OF 103.13 FEET TO THE NORTHWEST CORNER OF THE AMENDED FINAL PLAT OF THE MOUNTAINSIDE AT SILVERCREEK PHASE II AS RECORDED AT RECEPTION NO. 2000-005640 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;

LEGAL DESCRIPTION

PAGE 12 OF 12

PARCEL 9 CONTINUED;

THENCE SOUTH 13'16'56" WEST, ALONG THE WESTERLY BOUNDARY OF SAID AMENDED FINAL PLAT OF THE MOUNTAINSIDE AT SILVERCREEK PHASE II AND ITS SOUTHERLY EXTENSION, A DISTANCE OF 624.73 FEET;

THENCE SOUTH 85'51'25" EAST, A DISTANCE OF 462.12 FEET;

THENCE SOUTH 04'47'55" WEST, A DISTANCE OF 36.68 FEET;

THENCE SOUTH 65'56'43" EAST, A DISTANCE OF 627.82 FEET;

THENCE NORTH 88'45'26" EAST, A DISTANCE OF 178.77 FEET;

THENCE NORTH 44'10'34" EAST, A DISTANCE OF 929.57 FEET;

THENCE SOUTH 56'43'40" EAST, A DISTANCE OF 2016.36 FEET TO THE POINT OF BEGINNING,

SAID PARCEL 9 CONTAINS A GROSS AREA OF 303.723 ACRES, MORE OR LESS;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

THE 2.40 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF THE MOUNTAINSIDE AT SILVERCREEK PHASE I SUBDIVISION, ACCORDING TO THE PLAT RECORDED AT RECEPTION NO. 203319 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER, TOGETHER WITH THE 0.22 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF THE MOUNTAINSIDE AT SILVERCREEK PHASE II SUBDIVISION, ACCORDING TO THE PLAT RECORDED AT RECEPTION NO. 222486 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER LOCATED IN THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, SUBORDINATELY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER SAID SECTION 16 AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88'03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 73'01'23" EAST, A DISTANCE OF 1364.97 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 28'16'56" WEST, A DISTANCE OF 114.25 FEET;

THENCE NORTH 61'43'04" WEST, A DISTANCE OF 520.40 FEET;

THENCE NORTH 28'16'56" EAST, A DISTANCE OF 324.51 FEET;

THENCE SOUTH 39'43'04" EAST, A DISTANCE OF 561.27 FEET TO THE POINT OF BEGINNING;

SAID EXCEPTED PARCEL CONTAINS A CALCULATED AREA OF 2.621 ACRES, MORE OR LESS;

THE NET AREA OF SAID PARCEL 9 AFTER EXCEPTION IS 301.102 ACRES, MORE OR LESS;

HEADWATERS METROPOLITAN DISTRICT

January 7, 2019

DATE FILED: March 15, 2022 2:44 PM
FILING ID: 21BA33DAB619B
CASE NUMBER: 2021CV30008

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed Electronically: dlg-filing@state.co.us

RE: Headwaters Metropolitan District LGID: 65193

Attached is the 2019 Budget for the Headwaters Metropolitan District in Grand County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 17, 2018. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number (970) 926-6060.

The mill levy certified to the County Commissioners of Grand County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$78,290, the total property tax revenue is \$0.00. A copy of the certification of mill levies sent to the County Commissioners for Grand County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Grand County, Colorado.

Sincerely,



Eric Weaver
District Administrator

Enclosure(s)

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
720-921-9136
EXHIBIT B

HEADWATERS METROPOLITAN DISTRICT

2019 BUDGET MESSAGE

Headwaters Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, streets, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2019 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible.

The General Fund is responsible for maintaining the general operations. The transportation and road operations and maintenance responsibilities have been transferred to Granby Ranch Conservancy therefore the District will have no expenses related to these functions. The District anticipates receiving contributions from Granby Ranch Metropolitan District Nos. 2 & 8 and the master developer to fund the operation costs budgeted for 2019.

The Capital Improvements Fund will receive funds from the release of escrowed funds of the developer to fund the construction and repair of public infrastructure in the District.

RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT

TO ADOPT 2019 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE HEADWATERS METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

WHEREAS, the Board of Directors of the Headwaters Metropolitan District has appointed a budget committee to prepare and submit a proposed 2019 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 17, 2018, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Headwaters Metropolitan District, Grand County, Colorado:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Headwaters Metropolitan District for the year stated above.

- Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2018, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors of the Headwaters Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on October 17, 2018 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Headwaters Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations approved at election is \$0.00 and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2018 valuation for assessment for the Headwaters Metropolitan District, as certified by the County Assessor is \$78,290.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Headwaters Metropolitan District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2019 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.
- Section 3. That for the purpose of meeting the contractual obligations of the Headwaters Metropolitan District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all capital expenditures of the Headwaters Metropolitan District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Headwaters Metropolitan District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Headwaters Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Grand County, Colorado, the mill levies for the Headwaters Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 17, 2018, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current General Fund Expenditures	\$	93,900
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TRANSPORTATION FUND

Current Transportation Fund Expenditures	\$	-0-
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ROAD MAINTENANCE FUND

Current Road Maint Fund Expenditures	\$	7,700
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CAPITAL IMPROVEMENTS FUND:

Current Capital Improv Fund Expenditures	\$	455,041
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LEASE PURCHASE AGREEMENT FUND:

Current LPA Fund Expenditures	\$	250,000
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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2019 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2019 budget, set the mill levies and to appropriate sums of money were adopted this 17th day of October, 2018.

Attest: _____

Title: _____

President

Headwaters Metropolitan District
 Combined Balance Sheet
 September 30, 2018

Printed: 1/5/2019

	GENERAL FUND	TRANSPOR- TATION FUND	ROAD MAINT FUND	CAPITAL PROJECTS FUND	L.P.A. FUND	FIXED ASSETS & LTD	TOTAL
Assets							
Cash - CSAFE	13,458				58		13,516
Grand Mountain Bank	6,804	8,000	5,043	1,036	1,018		21,900
Accounts Receivable							-
County Treasurer							-
Developer	-			-			-
GRMD	-					-	-
GRMD #2	2,494						2,494
GRMD #8	-						-
GRA	13,090	6,173					19,263
GRC	-		-				-
SCMHOA	-						-
GRH Escrow				-			-
Prepaid Expenses	-						-
Fixed Assets - Vehicles and Eqpt						51,938	51,938
Roads						12,039,163	12,039,163
Other						291,279	291,279
Water - CIP						146,626	146,626
Sewer - CIP						52,511	52,511
Accum. Depreciation						(3,818,777)	(3,818,777)
Cap & Svc Oblig From GRMD 2-8						4,612,921	4,612,921
Total Assets	35,846	14,173	5,043	1,036	1,075	13,375,661	13,432,834
Liabilities							
A/P - General	26,040			-	-		26,040
Due to GRC		14,173					14,173
Deferred KMHD Roadway	-		5,043				5,043
Deferred Property Tax							-
Accrued Liabilities							-
Long-Term Debt:							-
Developer - Cap Adv						2,989,550	2,989,550
Developer - Cap Adv Int						1,634,213	1,634,213
Davey Coach Lease							-
Wagner Eqpt Lease							-
Total Liabilities	26,040	14,173	5,043	-	-	4,623,763	4,669,019
Net Position							
Investment in Cap & Svc Obligations						4,612,921	4,612,921
Investment in Fixed Assets						12,581,517	12,581,517
Investment in Accum Depr						(3,818,777)	(3,818,777)
Net of related debt						(4,623,763)	(4,623,763)
Fund Balance	9,806	-	-	1,036	1,075	-	11,917
Total Fund Equity	9,806	-	-	1,036	1,075	8,751,898	8,763,815
Total Liabilities and Fund Equity	35,846	14,173	5,043	1,036	1,075	13,375,661	13,432,834
	=	=	=	=	=	=	=

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

General Fund

	2017 Unaudited Actual	2018 Adopted Budget	Variance Positive (Negative)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Budget Assumptions
REVENUES									
Restricted Sales and Use Tax Revenues									
TOG Revenue Sharing-Use Tax	-	-	-	-	-	-	-	-	None Available
TOG Revenue Sharing-Sales Tax	-	-	-	-	-	-	-	-	None Available
Total Restricted Revenues	-	-	-	-	-	-	-	-	
Unrestricted Revenues									
Interest Income	472	250	150	400	326	188	138	250	
Amenities Rental Fee	15,364	13,090	-	13,090	13,090	13,090	-	13,090	Per Management Agreement
Transportation Reimbursements	-	-	-	-	-	-	-	-	
Road Cost Reimbursements	-	-	-	-	-	-	-	-	
Miscellaneous Income	-	-	1,264	1,264	1,264	-	1,264	-	
GRMD #8 Operations Funding	-	-	-	-	-	-	-	18,000	Funds from #8
Other Revenues	-	-	-	-	-	-	-	-	
Total Unrestricted Revenues	15,836	13,340	1,414	14,754	14,680	13,278	1,403	31,340	
TOTAL REVENUES	15,836	13,340	1,414	14,754	14,680	13,278	1,403	31,340	
EXPENDITURES									
Operating									
Accounting and Administration	33,923	37,500	-	37,500	23,296	25,550	2,254	38,500	Based on 2018 Forecast
Audit	-	12,300	12,300	-	-	-	-	-	Audit Exempt
Elections	-	5,000	3,620	1,380	1,380	5,000	3,620	15,000	TABOR Contract Election
Insurance	7,923	6,525	620	5,905	5,901	6,525	624	6,500	Based on 2018 Forecast
Legal	27,335	28,000	-	28,000	21,600	21,000	(600)	28,000	Based on 2018 Forecast
Office Overhead	164	1,250	-	1,250	127	950	823	1,250	Based on 2018 Forecast
Unbudgeted Requests/Tasks	4,292	5,000	-	5,000	3,533	5,000	1,467	5,000	Special Counsel, Contingency
GRMD Bond Issue Costs	-	-	-	-	-	-	-	-	
Less Allocation to Road Maint Fund	(8,063)	(350)	(100)	(250)	(160)	-	160	(350)	Per Road fund
Less Allocation to Transportation Fund	(1,286)	-	-	-	-	-	-	-	Per Transportation Fund
Other Expenditures	-	-	-	-	-	-	-	-	
Total Operating	64,287	95,225	16,440	78,785	55,677	64,025	8,348	93,900	
Transportation									
Operating Expenses	-	-	-	-	-	-	-	-	No longer done by District
Other Expenditures	-	-	-	-	-	-	-	-	
Total Transportation	-	-	-	-	-	-	-	-	
Public Works									
Road Plowing & Maintenance	-	-	-	-	-	-	-	-	No longer done by District
Dust Abatement & Road Grading	-	-	-	-	-	-	-	-	No longer done by District
Street Scaping & Street Light R & M	-	-	-	-	-	-	-	-	No longer done by District
Facilities Management Fee - PW	-	-	-	-	-	-	-	-	No longer done by District
Mosquito Control	-	-	-	-	-	-	-	-	No longer done by District
Electricity	-	-	-	-	-	-	-	-	No longer done by District
Other Expenditures	-	-	-	-	-	-	-	-	
Total Public Works	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	64,287	95,225	16,440	78,785	55,677	64,025	8,348	93,900	
TOTAL REV OVER (UNDER) EXP	(48,451)	(81,885)	17,854	(64,031)	(40,996)	(50,748)	9,751	(62,560)	
OTHER SOURCES (USES) OF FUNDS									
Developer Contributions	175,607	83,000	(48,000)	35,000	10,936	44,000	(33,064)	64,000	Estimated Need
Contributions to GRMD Nos. 2-8	-	-	(4,249)	(4,249)	(4,249)	-	(4,249)	-	
Bond COI Reimbursement from GRMD	-	-	40,000	40,000	40,000	-	40,000	-	
Xfer To Transportation Fund	-	-	-	-	-	-	-	-	
Xfer To Road Fund	(1,376)	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	174,232	83,000	(12,249)	70,751	46,687	44,000	2,687	64,000	
CHANGE IN FUND BALANCE	125,780	1,115	5,605	6,720	5,691	(6,748)	12,438	1,440	
Beginning Fund Balance	(121,665)	11,582	(7,467)	4,115	4,115	11,582	(7,467)	10,335	
Ending Fund Balance	4,115	12,697	(1,862)	10,835	9,806	4,835	4,971	11,775	
Components of Fund Balance:									
TABOR Emergency Reserve	1,970	2,857	(366)	2,491	2,491	-	-	2,817	3% of non-lease expenditures
Non-Spendable- Prepaid Expenses	243	6,851	(351)	6,500	-	-	-	6,825	Prepay insurance
Transportation Capital Reserve	-	-	-	-	-	-	-	-	Refunded to GRC
Restricted Sales & Use Tax	-	-	-	-	-	-	-	-	
Road Overlay Reserve	-	-	-	-	-	-	-	-	
Unrestricted	1,902	2,989	(1,145)	1,844	7,315	-	-	2,133	Remaining available
Total Fund Balance	4,115	12,697	(1,862)	10,835	9,806	4,835	4,971	11,775	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Transportation Fund

	2017 Unaudited Actual	2018 Adopted Budget	Variance Positive (Negative)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Assumptions
Revenues:									
SCMHOA Reimb	9,241	-	-	-	-	-	-	-	No longer done by District
GRC	24,940	-	-	-	-	-	-	-	No longer done by District
GRA (Weddings)	-	-	-	-	-	-	-	-	No longer done by District
Interest	-	-	-	-	-	-	-	-	
Sale of Assets	-	15,000	(827)	14,173	14,173	15,000	(827)	-	Sell Turtle Bus
Total Revenues	34,181	15,000	(827)	14,173	14,173	15,000	(827)	-	
Expenditures:									
Transportation Operating Expenses	25,714	-	-	-	-	-	-	-	No longer done by District
Shuttle Lease Purchase - Principal	-	-	-	-	-	-	-	-	No longer done by District
Shuttle Lease Purchase - Interest	-	-	-	-	-	-	-	-	No longer done by District
Shuttle Rental, Licensing & Repairs	-	-	-	-	-	-	-	-	No longer done by District
Allocated Overhead	1,286	-	-	-	-	-	-	-	No longer done by District
Total Expenditures	27,000	-	-	-	-	-	-	-	
Revenue Over (Under) Expenditures	7,181	15,000	(827)	14,173	14,173	15,000	(827)	-	
Other Sources (Uses) of Funds:									
Xfer Trans Capital Reserves	-	-	-	-	-	-	-	-	
Xfer To GRC	(60,718)	(15,000)	827	(14,173)	(14,173)	(15,000)	827	-	Give all remaining funds to GRC
Total Other Sources (Uses) of Funds	(60,718)	(15,000)	827	(14,173)	(14,173)	(15,000)	827	-	
Change in Fund Balance	(53,537)	-	-	-	-	-	-	-	
Beginning Fund Balance	53,537	-	-	-	-	-	-	-	
Ending Fund Balance	-	-	-	-	-	-	-	-	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Road Maintenance Fund

	2017 Unaudited Actual	2018 Adopted Budget	Variance Positive (Negative)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Assumptions
Revenues:									
SVMD Funding	-	-	-	-	-	-	-	-	No longer done by District
GRC- Streetscape	164,462	-	-	-	-	-	-	-	No longer done by District
GRMD Funding	-	-	-	-	-	-	-	-	No longer done by District
GRMD #2 Funding	-	-	-	-	-	-	-	-	No longer done by District
GRMD #8 Funding	-	-	-	-	-	-	-	-	No longer done by District
KMHD	3,477	7,700	(2,200)	5,500	1,757	4,620	(2,863)	7,700	Cost + 10% Overhead
Interest	-	-	-	-	-	-	-	-	
Total Revenues	167,939	7,700	(2,200)	5,500	1,757	4,620	(2,863)	7,700	
Expenditures:									
Operations:									
Utilities - Street Lights	8,183	-	-	-	-	-	-	-	No longer done by District
Snow Removal	82,190	-	-	-	-	-	-	-	No longer done by District
KMHD Snow Removal	3,418	7,000	2,000	5,000	1,598	4,200	2,603	7,000	Estimate on high side
Weed Control/Herbicides	-	-	-	-	-	-	-	-	No longer done by District
Mosquito Control	10,625	-	-	-	-	-	-	-	No longer done by District
Drainage/Ditch Clean Out	8,050	-	-	-	-	-	-	-	No longer done by District
Street Sweeping (Dust Abate & Road Gra	15,118	-	-	-	-	-	-	-	No longer done by District
Streetscaping	-	-	-	-	-	-	-	-	No longer done by District
Vegetation	-	-	-	-	-	-	-	-	No longer done by District
Facilities Management Fee	11,242	350	100	250	80	210	130	350	5% of costs
Allocated Overhead	8,063	350	100	250	80	210	130	350	5% of costs
Maintenance:									
Shoulders Repair and Maintenance	546	-	-	-	-	-	-	-	No longer done by District
Drainage/Ditch Repair & Maintenance	-	-	-	-	-	-	-	-	No longer done by District
Signage & Lighting	6,750	-	-	-	-	-	-	-	No longer done by District
Slope Stabilization	-	-	-	-	-	-	-	-	No longer done by District
Tree/Shrub Clearing & Removal	-	-	-	-	-	-	-	-	No longer done by District
Crack Sealing / Surfacing Treatments	15,130	-	-	-	-	-	-	-	No longer done by District
Guardrail Repair	-	-	-	-	-	-	-	-	No longer done by District
Dust Control	-	-	-	-	-	-	-	-	No longer done by District
Grading	-	-	-	-	-	-	-	-	No longer done by District
Striping	-	-	-	-	-	-	-	-	No longer done by District
Other / Contingency	-	-	-	-	-	-	-	-	No longer done by District
Long Term Maintenance									
Road Surface Overlays	-	-	-	-	-	-	-	-	No longer done by District
Other Replacements	-	-	-	-	-	-	-	-	No longer done by District
Total Expenditures	169,315	7,700	2,200	5,500	1,757	4,620	2,863	7,700	
Revenue Over (Under) Expenditures	(1,376)	-	-	-	-	-	-	0	
Other Sources (Uses) of Funds:									
Transfer From General Fund	1,376	-	-	-	-	-	-	-	
Transfer to GRC	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	1,376	-	-	-	-	-	-	-	
Change in Fund Balance	(0)	-	-	-	-	-	-	0	
Beginning Fund Balance	-	-	(0)	(0)	-	-	-	(0)	
Ending Fund Balance	(0)	-	(0)	(0)	-	-	-	(0)	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Capital Improvements Fund

	2017 Unaudited Actual	2018 Adopted Budget	Variance Positive (Negative)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Assumptions
Revenues:									
Interest Income	95	-	-	-	0	-	0	-	
Other Revenues	-	-	-	-	-	-	-	-	
Total Revenues	95	-	-	-	0	-	0	-	
Capital Expenditures:									
Construction Management Fee	-	-	-	-	-	-	-	-	1.5 % of expenditures
Metro Backbone	-	-	-	-	-	-	-	-	None Expected
DeBerard Sewer Planning/Design	-	-	-	-	-	-	-	-	None Expected
Lake Drive to Second Switchback	-	-	-	-	-	-	-	-	None Expected
Prospect Ridge	-	-	-	-	-	-	-	-	None Expected
Sol Vista Dr North	-	-	-	-	-	-	-	-	None Expected
Seven Eagles	-	-	-	-	-	-	-	-	None Expected
F2 - Fairway Cabins	-	-	-	-	-	-	-	-	None Expected
F3 - Ranchview	-	-	-	-	-	-	-	-	None Expected
F6 - Saddle Ridge	-	-	-	-	-	-	-	-	None Expected
F8 - Eisenhower Cabins	-	-	-	-	-	-	-	-	None Expected
F10 - Trailside	-	-	-	-	-	-	-	-	None Expected
F11 - Settler's Ridge	-	-	-	-	-	-	-	-	None Expected
F12 - Base Area Improvements	-	-	-	-	-	-	-	-	None Expected
F-17 Greyhawk - Sagelands I	-	-	-	-	-	-	-	-	None Expected
F-18 Sagelands II	-	-	-	-	-	-	-	-	None Expected
Water Tanks	-	-	-	-	-	-	-	-	None Expected
Fairways Lift Station	-	-	-	-	-	-	-	-	None Expected
Crack Sealing	-	-	-	-	-	-	-	-	None Expected
Municipal Water Line Extension	-	-	-	-	-	-	-	-	None Expected
Road Repairs - Escrow	-	-	(110,000)	110,000	58,676	-	(58,676)	455,041	\$565,041 Total
Contingency	-	500,000	500,000	-	-	-	-	-	Unforeseen Needs
Other Expenditures	-	-	-	-	-	-	-	-	
Total Expenditures	-	500,000	390,000	110,000	58,676	-	(58,676)	455,041	
Revenue Over (Under) Expenditures	95	(500,000)	390,000	(110,000)	(58,676)	-	(58,676)	(455,041)	
Other Sources (Uses) of Funds:									
Developer Cash Advances	-	500,000	(500,000)	-	-	-	-	-	
Road Escrow Fund Releases	-	-	110,000	110,000	58,676	-	58,676	455,041	\$565,041 Total
Other	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	-	500,000	(390,000)	110,000	58,676	-	58,676	455,041	
Beginning Fund Balance	940	1,035	1	1,036	1,036	1,035	1	1,036	
Ending Fund Balance	1,036	1,035	1	1,036	1,036	1,035	1	1,036	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Lease Purchase Agreement (LPA) Special Revenue Fund

	2017 Unaudited Actual	2018 Adopted Budget	Variance Positive (Negative)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Assumptions
Revenues:									
Amenity Fee Revenue	230,000	250,000	(130,000)	120,000	90,000	90,000	-	250,000	Budget high to avoid amendment Based on 2017 Forecast
Interest	3	3	-	3	2	2	(0)	3	
Total Revenues	230,003	250,003	(130,000)	120,003	90,002	90,002	(0)	250,003	
Expenditures:									
Lease-Purchase Payments	230,000	250,000	130,000	120,000	90,000	90,000	-	250,000	Equal to fees received
Total Expenditures	230,000	250,000	130,000	120,000	90,000	90,000	-	250,000	
Revenue Over (Under) Expenditures	3	3	-	3	2	2	(0)	3	
Other Sources (Uses) of Funds:									
Transfer From Old Amenities Fund		-	-	-			-		
Total Other Sources (Uses) of Funds	-	-	-	-	-	-	-	-	
Change in Fund Balance	3	3	-	3	2	2	(0)	3	
Beginning Fund Balance	1,070	1,073	(0)	1,073	1,073	1,073	(0)	1,076	
Ending Fund Balance	1,073	1,076	(0)	1,076	1,075	1,075	(0)	1,079	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Grand County, Colorado.

On behalf of the Headwaters Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Headwaters Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 78,290

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 78,290

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/12/2018
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2019.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	\$ -
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ -
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>0.000</u> mills	<u>\$ -</u>

Contact person: (print) Eric Weaver

Daytime phone: (970) 926-6060 x6

Signed: 

Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

HEADWATERS METROPOLITAN DISTRICT

January 15, 2020

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed Electronically: dlg-filing@state.co.us

RE: Headwaters Metropolitan District LGID: 65193

Attached is the 2020 Budget for the Headwaters Metropolitan District in Grand County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 30, 2019. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number (970) 926-6060.

The mill levy certified to the County Commissioners of Grand County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$58,210, the total property tax revenue is \$0.00. A copy of the certification of mill levies sent to the County Commissioners for Grand County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Grand County, Colorado.

Sincerely,



Eric Weaver
District Administrator

Enclosure(s)

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
720-921-9136

EXHIBIT B

HEADWATERS METROPOLITAN DISTRICT

2020 BUDGET MESSAGE

Headwaters Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, streets, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2020 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible.

The General Fund is responsible for maintaining the general operations. The transportation and road operations and maintenance responsibilities have been transferred to Granby Ranch Conservancy therefore the District will have no expenses related to these functions other than minor revenues and expenses for plowing of an adjacent property. The District anticipates receiving contributions from Granby Ranch Metropolitan District No. 8 and the master developer to fund the operation costs budgeted for 2020.

The Capital Improvements Fund will receive funds from the developer to fund the construction and repair of public infrastructure in the District.

RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT

TO ADOPT 2020 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE HEADWATERS METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors of the Headwaters Metropolitan District has appointed a budget committee to prepare and submit a proposed 2020 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 30, 2019, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Headwaters Metropolitan District, Grand County, Colorado:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Headwaters Metropolitan District for the year stated above.

- Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2019, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, FOR THE 2020 BUDGET YEAR.

WHEREAS, the Board of Directors of the Headwaters Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on October 30, 2019 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Headwaters Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations approved at election is \$0.00 and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2019 valuation for assessment for the Headwaters Metropolitan District, as certified by the County Assessor is \$58,210.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Headwaters Metropolitan District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2020 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.
- Section 3. That for the purpose of meeting the contractual obligations of the Headwaters Metropolitan District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all capital expenditures of the Headwaters Metropolitan District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Headwaters Metropolitan District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Headwaters Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Grand County, Colorado, the mill levies for the Headwaters Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, FOR THE 2020 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 30, 2019, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current General Fund Expenditures	\$	93,900
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TRANSPORTATION FUND

Current Transportation Fund Expenditures	\$	-0-
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ROAD MAINTENANCE FUND

Current Road Maint Fund Expenditures	\$	7,700
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CAPITAL IMPROVEMENTS FUND:

Current Capital Improv Fund Expenditures	\$	3,535,677
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LEASE PURCHASE AGREEMENT FUND:

Current LPA Fund Expenditures	\$	250,000
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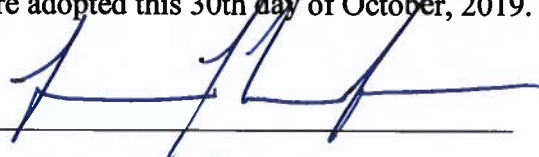
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RESOLUTIONS OF HEADWATERS METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2020 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2020 budget, set the mill levies and to appropriate sums of money were adopted this 30th day of October, 2019.

Attest: _____



Title: _____

President

Headwaters Metropolitan District
 Combined Balance Sheet
 September 30, 2019

Printed: 12/28/2019

	GENERAL FUND	TRANSPOR- TATION FUND	ROAD MAINT FUND	CAPITAL PROJECTS FUND	L.P.A. FUND	FIXED ASSETS & LTD	TOTAL
Assets							
Cash - CSAFE	16,318				58		16,375
Grand Mountain Bank	2,529	-	2,992	1,037	1,022		7,580
Accounts Receivable							-
County Treasurer							-
Developer	16,466			343,442			359,908
GRMD	-					-	-
GRMD #2	-						-
GRMD #8	-						-
GRA	-	-					-
GRC	-		-				-
SCMHOA	-						-
GRH Escrow				-			-
Prepaid Expenses	-						-
Fixed Assets - Vehicles and Eqpt						-	-
Roads						12,039,163	12,039,163
Other						291,279	291,279
Water - CIP						146,626	146,626
Sewer - CIP						52,511	52,511
Accum. Depreciation						(4,185,643)	(4,185,643)
Cap & Svc Oblig From GRMD 2-8						4,622,726	4,622,726
Total Assets	35,313	-	2,992	344,478	1,080	12,966,662	13,350,525
Liabilities							
A/P - General	8,285			311,178	-		319,463
Due to GRC		-					-
CEI - Retainage Payable				32,264			32,264
Deferred KMHD Roadway	-		2,992				2,992
Deferred Property Tax							-
Accrued Liabilities							-
Long-Term Debt:							-
Developer - Cap Adv						2,989,550	2,989,550
Developer - Cap Adv Int						1,634,213	1,634,213
Davey Coach Lease							-
Wagner Eqpt Lease							-
Total Liabilities	8,285	-	2,992	343,442	-	4,623,763	4,978,482
Net Position							
Investment in Cap & Svc Obligations						4,622,726	4,622,726
Investment in Fixed Assets						12,529,579	12,529,579
Investment in Accum Depr						(4,185,643)	(4,185,643)
Net of related debt						(4,623,763)	(4,623,763)
Fund Balance	27,028	-	-	1,037	1,080	-	29,145
Total Fund Equity	27,028	-	-	1,037	1,080	8,342,899	8,372,044
Total Liabilities and Fund Equity	35,313	-	2,992	344,478	1,080	12,966,662	13,350,525
	=	=	=	=	=	=	=

No Assurance is provided on these financial statements: substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

General Fund

	2018 Unaudited Actual	2019 Amended Budget	Variance Positive (Negative)	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Budget Assumptions
REVENUES									
Restricted Sales and Use Tax Revenues									
TOG Revenue Sharing-Use Tax	-	-	-	-	-	-	-	-	None Available
TOG Revenue Sharing-Sales Tax	-	-	-	-	-	-	-	-	None Available
Total Restricted Revenues	-	-	-	-	-	-	-	-	
Unrestricted Revenues									
Interest Income	427	250	150	400	324	188	136	250	
Amenities Rental Fee	13,091	13,090	3,376	16,466	16,466	13,090	3,376	16,500	Per Management Agreement
Transportation Reimbursements	-	-	-	-	-	-	-	-	
Road Cost Reimbursements	-	-	-	-	-	-	-	-	
Miscellaneous Income	1,264	-	-	-	-	-	-	-	
GRMD #8 Operations Funding	-	18,000	-	18,000	18,000	18,000	(0)	24,000	Funds from #8
Other Revenues	-	-	-	-	-	-	-	-	
Total Unrestricted Revenues	14,782	31,340	3,526	34,866	34,789	31,278	3,512	40,750	
TOTAL REVENUES	14,782	31,340	3,526	34,866	34,789	31,278	3,512	40,750	
EXPENDITURES									
Operating									
Accounting and Administration	30,115	38,500	-	38,500	19,223	26,550	7,327	38,500	Based on 2019 Forecast
Audit	-	-	-	-	-	-	-	-	Audit Exempt
Elections	1,380	15,000	-	15,000	2,243	2,500	257	15,000	HWMD, GRMD 2-8
Insurance	5,901	6,500	1,500	5,000	4,948	6,500	1,552	6,500	Based on 2019 Forecast
Legal	30,260	28,000	-	28,000	22,103	21,000	(1,103)	28,000	Based on 2019 Forecast
Office Overhead	127	1,250	-	1,250	26	750	724	1,250	Based on 2019 Forecast
Unbudgeted Requests/Tasks	6,218	5,000	-	5,000	768	5,000	4,232	5,000	Special Counsel, Contingency
GRMD Bond Issue Costs	-	-	-	-	-	-	-	-	
Less Allocation to Road Maint Fund	(298)	(350)	-	(350)	(260)	(260)	-	(350)	Per Road fund
Less Allocation to Transportation Fund	-	-	-	-	-	-	-	-	Per Transportation Fund
Other Expenditures	-	-	-	-	-	-	-	-	
Total Operating	73,703	93,900	1,500	92,400	49,050	62,040	12,990	93,900	
Transportation									
Operating Expenses	-	-	-	-	-	-	-	-	No longer done by District
Other Expenditures	-	-	-	-	-	-	-	-	
Total Transportation	-	-	-	-	-	-	-	-	
Public Works									
Road Plowing & Maintenance	-	-	-	-	-	-	-	-	No longer done by District
Dust Abatement & Road Grading	-	-	-	-	-	-	-	-	No longer done by District
Street Scaping & Street Light R & M	-	-	-	-	-	-	-	-	No longer done by District
Facilities Management Fee - PW	-	-	-	-	-	-	-	-	No longer done by District
Mosquito Control	-	-	-	-	-	-	-	-	No longer done by District
Electricity	-	-	-	-	-	-	-	-	No longer done by District
Other Expenditures	-	-	-	-	-	-	-	-	
Total Public Works	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	73,703	93,900	1,500	92,400	49,050	62,040	12,990	93,900	
TOTAL REV OVER (UNDER) EXP	(58,921)	(62,560)	5,026	(57,534)	(14,261)	(30,763)	16,501	(53,150)	
OTHER SOURCES (USES) OF FUNDS									
Developer Contributions	28,936	64,000	(6,000)	58,000	31,408	23,000	8,408	55,000	Estimated Need
Contributions to GRMD Nos. 2-8	(4,249)	-	-	-	-	-	-	-	
Bond COI Reimbursement from GRMD	40,000	-	-	-	-	-	-	-	
Xfer To Transportation Fund	-	-	-	-	-	-	-	-	
Xfer To Road Fund	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	64,687	64,000	(6,000)	58,000	31,408	23,000	8,408	55,000	
CHANGE IN FUND BALANCE	5,766	1,440	(974)	466	17,147	(7,763)	24,910	1,850	
Beginning Fund Balance	4,115	10,335	(454)	9,881	9,881	10,335	(454)	10,347	
Ending Fund Balance	9,881	11,775	(1,428)	10,347	27,028	2,573	24,456	12,197	
Components of Fund Balance:									
TABOR Emergency Reserve	1,139	2,817	(45)	2,772	2,772	-	-	2,817	3% of non-lease expenditures
Non-Spendable- Prepaid Expenses	-	6,825	(325)	6,500	-	-	-	6,825	Prepay insurance
Transportation Capital Reserve	-	-	-	-	-	-	-	-	
Restricted Sales & Use Tax	-	-	-	-	-	-	-	-	
Road Overlay Reserve	-	-	-	-	-	-	-	-	
Unrestricted	8,743	2,133	(1,058)	1,075	24,256	-	-	2,555	Remaining available
Total Fund Balance	9,881	11,775	(1,428)	10,347	27,028			12,197	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Transportation Fund

	2018 Unaudited Actual	2019 Amended Budget	Variance Positive (Negative)	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Assumptions
Revenues:									
SCMHOA Reimb	-	-	-	-	-	-	-	-	No longer done by District
GRC	-	-	-	-	-	-	-	-	No longer done by District
GRA (Weddings)	-	-	-	-	-	-	-	-	No longer done by District
Interest	-	-	-	-	-	-	-	-	
Sale of Assets	14,173	-	-	-	-	-	-	-	Sell Turtle Bus
Total Revenues	14,173	-	-	-	-	-	-	-	
Expenditures:									
Transportation Operating Expenses	-	-	-	-	-	-	-	-	No longer done by District
Shuttle Lease Purchase - Principal	-	-	-	-	-	-	-	-	No longer done by District
Shuttle Lease Purchase - Interest	-	-	-	-	-	-	-	-	No longer done by District
Shuttle Rental, Licensing & Repairs	-	-	-	-	-	-	-	-	No longer done by District
Allocated Overhead	-	-	-	-	-	-	-	-	No longer done by District
Total Expenditures	-	-	-	-	-	-	-	-	
Revenue Over (Under) Expenditures	14,173	-	-	-	-	-	-	-	
Other Sources (Uses) of Funds:									
Xfer Trans Capital Reserves	-	-	-	-	-	-	-	-	
Xfer To GRC	(14,173)	-	-	-	-	-	-	-	Give all remaining funds to GRC
Total Other Sources (Uses) of Funds	(14,173)	-	-	-	-	-	-	-	
Change in Fund Balance	-	-	-	-	-	-	-	-	
Beginning Fund Balance	-	-	-	-	-	-	-	-	
Ending Fund Balance	-	-	-	-	-	-	-	-	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Road Maintenance Fund

	2018 Unaudited Actual	2019 Amended Budget	Variance Positive (Negative)	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Assumptions
Revenues:									
SVMD Funding	-	-	-	-	-	-	-	-	No longer done by District
GRC- Streetscape	-	-	-	-	-	-	-	-	No longer done by District
GRMD Funding	-	-	-	-	-	-	-	-	No longer done by District
GRMD #2 Funding	-	-	-	-	-	-	-	-	No longer done by District
GRMD #8 Funding	-	-	-	-	-	-	-	-	No longer done by District
KMHD	3,275	7,700	-	7,700	3,120	4,620	(1,500)	7,700	Cost + 10% Overhead
Interest	-	-	-	-	-	-	-	-	
Total Revenues	3,275	7,700	-	7,700	3,120	4,620	(1,500)	7,700	
Expenditures:									
Operations:									
Utilities - Street Lights	-	-	-	-	-	-	-	-	No longer done by District
Snow Removal	-	-	-	-	-	-	-	-	No longer done by District
KMHD Snow Removal	2,978	7,000	-	7,000	2,600	4,200	1,600	7,000	Estimate on high side
Weed Control/Herbicides	-	-	-	-	-	-	-	-	No longer done by District
Mosquito Control	-	-	-	-	-	-	-	-	No longer done by District
Drainage/Ditch Clean Out	-	-	-	-	-	-	-	-	No longer done by District
Street Sweeping (Dust Abate & Road Gra	-	-	-	-	-	-	-	-	No longer done by District
Streetscaping	-	-	-	-	-	-	-	-	No longer done by District
Vegetation	-	-	-	-	-	-	-	-	No longer done by District
Facilities Management Fee	149	350	-	350	260	210	(50)	350	5% of costs
Allocated Overhead	149	350	-	350	260	210	(50)	350	5% of costs
Maintenance:									
Shoulders Repair and Maintenance	-	-	-	-	-	-	-	-	No longer done by District
Drainage/Ditch Repair & Maintenance	-	-	-	-	-	-	-	-	No longer done by District
Signage & Lighting	-	-	-	-	-	-	-	-	No longer done by District
Slope Stabilization	-	-	-	-	-	-	-	-	No longer done by District
Tree/Shrub Clearing & Removal	-	-	-	-	-	-	-	-	No longer done by District
Crack Sealing / Surfacing Treatments	-	-	-	-	-	-	-	-	No longer done by District
Guardrail Repair	-	-	-	-	-	-	-	-	No longer done by District
Dust Control	-	-	-	-	-	-	-	-	No longer done by District
Grading	-	-	-	-	-	-	-	-	No longer done by District
Striping	-	-	-	-	-	-	-	-	No longer done by District
Other / Contingency	-	-	-	-	-	-	-	-	No longer done by District
Long Term Maintenance									
Road Surface Overlays	-	-	-	-	-	-	-	-	No longer done by District
Other Replacements	-	-	-	-	-	-	-	-	No longer done by District
Total Expenditures	3,275	7,700	-	7,700	3,120	4,620	1,500	7,700	
Revenue Over (Under) Expenditures	-	-	-	-	-	-	-	0	
Other Sources (Uses) of Funds:									
Transfer From General Fund	-	-	-	-	-	-	-	-	
Transfer to GRC	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	-	-	-	-	-	-	-	-	
Change in Fund Balance	-	-	-	-	-	-	-	0	
Beginning Fund Balance	-	-	(0)	(0)	-	-	-	(0)	
Ending Fund Balance	-	-	(0)	(0)	-	-	-	(0)	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Capital Improvements Fund

	2018 Unaudited Actual	2019 Amended Budget	Variance Positive (Negative)	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Assumptions
Revenues:									
Interest Income	1	-	-	-	0	-	0	-	
Other Revenues	-	-	-	-	-	-	-	-	
Total Revenues	1	-	-	-	0	-	0	-	
Capital Expenditures:									
Construction Management Fee	-	-	-	-	-	-	-	-	
Metro Backbone	-	-	-	-	-	-	-	-	
Lake Dr @ Cumulus Rd - Ph1A	-	81,463	-	81,463	-	81,463	81,463	-	Completed in 2019
Lake Dr @ Cirrus Way - Ph1B	-	78,598	78,598	-	-	-	-	78,598	Phase 1B & 2- Per Lance's SS
F3 - Upper Ranch View Rd - Ph2	-	100,541	100,541	-	-	-	-	100,541	Phase 1B & 2- Per Lance's SS
F3 - Lower Ranch View Rd - Ph2	-	575,175	575,175	-	-	-	-	575,175	Phase 1B & 2- Per Lance's SS
F6 - Thunderbolt Dr - Ph2	-	63,267	63,267	-	-	-	-	63,267	Phase 1B & 2- Per Lance's SS
F6 - Pawnee Lane - Ph2	-	69,486	69,486	-	-	-	-	69,486	Phase 1B & 2- Per Lance's SS
F8 - Eagles Nest Court - Ph1B	-	133,671	133,671	-	-	-	-	133,671	Phase 1B & 2- Per Lance's SS
F8 - Lone Eagle Dr - Ph1B	-	497,790	497,790	-	-	-	-	497,790	Phase 1B & 2- Per Lance's SS
F8 - Black Feather Court - Ph2	-	40,446	40,446	-	-	-	-	40,446	Phase 1B & 2- Per Lance's SS
F8 - Kiowa Lane - Ph2	-	173,099	173,099	-	-	-	-	173,099	Phase 1B & 2- Per Lance's SS
F10 - Cumulus Rd - Ph1A	-	679,221	-	679,221	645,944	679,221	33,277	-	Completed in 2019
F10 - Cirrus Way - Ph1B	-	355,450	355,450	-	-	-	-	355,450	Phase 1B & 2- Per Lance's SS
F10 - Nimbus Dr - Ph1B	-	578,961	578,961	-	-	-	-	578,961	Phase 1B & 2- Per Lance's SS
F10 - Stratus Court - Ph1B	-	369,193	369,193	-	-	-	-	369,193	Phase 1B & 2- Per Lance's SS
Road Repairs - Escrow / Engineering	105,905	45,250	(111,410)	156,660	156,657	45,250	(111,407)	-	
Contingency	-	500,000	500,000	-	-	-	-	500,000	Additional Contingency
Other Expenditures	-	-	-	-	-	-	-	-	
Total Expenditures	105,905	4,341,611	3,424,267	917,344	802,601	805,934	3,333	3,535,677	
Revenue Over (Under) Expenditures	(105,904)	(4,341,611)	3,424,267	(917,344)	(802,600)	(805,934)	3,334	(3,535,677)	
Other Sources (Uses) of Funds:									
Developer Advances	-	3,882,475	(3,424,267)	458,208	343,442	760,684	(417,242)	3,535,677	
Road Escrow Fund Releases	105,905	459,136	0	459,136	459,159	459,136	23	-	
Other	-	-	-	-	-	-	-	-	
Total Other Sources (Uses) of Funds	105,905	4,341,611	(3,424,267)	917,344	802,601	1,219,820	(417,219)	3,535,677	
Beginning Fund Balance	1,036	1,036	-	1,036	1,036	1,036	1	1,036	
Ending Fund Balance	1,036	1,036	-	1,036	1,037	414,922	(413,885)	1,036	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

Headwaters Metropolitan District
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Modified Accrual Basis

Lease Purchase Agreement (LPA) Special Revenue Fund

	2018 Unaudited Actual	2019 Amended Budget	Variance Positive (Negative)	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Assumptions
Revenues:									
Amenity Fee Revenue	110,000	250,000	(150,000)	100,000	70,000	70,000	-	250,000	Budget high to avoid amendment Based on 2019 Forecast
Interest	2	3	2	5	4	2	2	5	
Total Revenues	110,002	250,003	(149,998)	100,005	70,004	70,002	2	250,005	
Expenditures:									
Lease-Purchase Payments	110,000	250,000	150,000	100,000	70,000	70,000	-	250,000	Equal to fees received
Total Expenditures	110,000	250,000	150,000	100,000	70,000	70,000	-	250,000	
Revenue Over (Under) Expenditures	2	3	2	5	4	2	2	5	
Other Sources (Uses) of Funds:									
Transfer From Old Amenities Fund		-	-	-		-	-		
Total Other Sources (Uses) of Funds	-	-	-	-	-	-	-	-	
Change in Fund Balance	2	3	2	5	4	2	2	5	
Beginning Fund Balance	1,073	1,076	(1)	1,075	1,075	1,076	(1)	1,080	
Ending Fund Balance	1,075	1,079	1	1,080	1,080	1,078	1	1,085	
	=	=	=	=	=	=	=	=	

No Assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Grand County, Colorado.

On behalf of the Headwaters Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Headwaters Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 58,210

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 58,210

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/9/2019
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2020.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	\$ -
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ -
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>0.000</u> mills	<u>\$ -</u>

Contact person: Eric Weaver
(print)

Daytime phone: (970) 926-6060 x6

Signed: 

Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

BUDGET RESOLUTION

(2021)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

At the special meeting of the Board of Directors of Headwaters Metropolitan District, Town of Granby, County of Grand, Colorado, held at 8:00 AM on Friday, October 15, 2021, via virtual Zoom meeting. The following Board members were present:

Scott Johnson
Susanne Johnson

Also present were:

Clint Waldron, Emilee Hansen and Allison Hanson, White Bear Ankele Tanaka and Waldron; David Richardson and Katie Jenner, Husch Blackwell; Marcos Pacheco and Diane Rodriguez; Community Resource Services of Colorado. Natascha O’Flaherty, Town of Granby Representative; Ted Cherry, Manager Town of Granby ; Matt Girard, John Gillogley, Andrew Glenn and Kim Konkel

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District’s website and at the Grand County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Scot Johnson introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HEADWATERS METROPOLITAN DISTRICT, TOWN OF GRANBY, GRAND COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the "Board") of the Headwaters Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2021; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on June 17, 2021, in the Middle Park Times, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 8:00 AM on Friday, October 15, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$-0-, and that the 2020 valuation for assessment, as certified by the Grand County Assessor, is \$ 58,210. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of zero mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 4. Certification to Board of County Commissioners. No mill levies were certified to the Grand County Board of County Commissioners

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Susanne Johnson.

THIS RESOLUTION WAS APPROVED AND ADOPTED ON OCTOBER 15, 2021.

HEADWATERS METROPOLITAN DISTRICT

By: DocuSigned by:
Scot Johnson
80070890A8BF4D0...

President

ATTEST:

DocuSigned by:
Sue Blair
2FEA9ED8300D4EC

Sue Blair, Secretary

STATE OF COLORADO
COUNTY OF GRAND
HEADWATERS METROPOLITAN DISTRICT

I, Sue Blair, hereby certify that I am a qualified Secretary of Headwaters Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 8:00 AM on Friday, October 15, 2021, via a virtual Zoom meeting, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 15, 2021.

DocuSigned by:
Sue Blair
2EE89ED6300D4EC...

Sue Blair, Secretary

EXHIBIT A
2021 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2019 Actual	2020 Actual	2021 Adopted
REVENUES			
Amenities rental fee	\$ 16,466	\$ 7,239	\$ -
IGA revenues	18,000	24,769	-
Developer contributions	-	-	260,000
Interest	407	123	25
Allocation from road maintenance fund	520	284	1,000
Miscellaneous	-	25	-
Total revenues	35,393	32,440	261,025
EXPENDITURES			
Audit	-	5,200	-
District management and accounting	26,103	44,874	60,000
Election	7,959	13,068	-
Insurance and SDA dues	6,223	5,050	6,500
Legal	27,517	64,928	225,000
Miscellaneous	870	2,061	2,500
Emergency reserve (3%)	-	-	7,800
Total expenditures	68,672	135,181	301,800
EXCESS OF EXPENDITURES OVER REVENUES	(33,279)	(102,741)	(40,775)
OTHER FINANCING SOURCES (USES)			
Developer advances	33,408	142,609	-
Transfer to golf course fund	-	-	(536)
Transfer from lease purchase fund	-	-	1,082
Total other financing sources (uses)	33,408	142,609	546
NET CHANGE IN FUND BALANCE	129	39,868	(40,229)
BEGINNING FUND BALANCE	9,881	10,010	49,878
ENDING FUND BALANCE	\$ 10,010	\$ 49,878	\$ 9,649

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Golf course revenue	\$ -	\$ 341,713	\$ -
Miscellaneous	-	-	2,973
Total revenues	<u>-</u>	<u>341,713</u>	<u>2,973</u>
EXPENDITURES			
Golf course operations	-	338,490	-
Miscellaneous	-	-	6,732
Total expenditures	<u>-</u>	<u>338,490</u>	<u>6,732</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>3,223</u>	<u>(3,759)</u>
OTHER FINANCING USES			
Transfer from general fund	-	-	536
Total other financing uses	<u>-</u>	<u>-</u>	<u>536</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>3,223</u>	<u>(3,223)</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>3,223</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 3,223</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
CAPITAL IMPROVEMENTS FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Interest	\$ 1	\$ 11	\$ -
Total revenues	<u>1</u>	<u>11</u>	<u>-</u>
EXPENDITURES			
Capitalized legal	4,800	-	-
F10 - Cumulus Rd - Ph1A	648,507	-	-
Road repairs - escrow/engineering contingency	218,853	-	-
Total expenditures	<u>872,160</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(872,159)</u>	<u>11</u>	<u>-</u>
OTHER FINANCING SOURCES			
Developer advances	413,014	-	-
Road escrow fund releases	459,159	-	-
Total other financing sources	<u>872,173</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	14	11	-
BEGINNING FUND BALANCE	<u>1,036</u>	<u>1,050</u>	<u>1,061</u>
ENDING FUND BALANCE	<u>\$ 1,050</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>

**HEADWATERS METROPOLITAN DISTRICT
LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2019 Actual	2020 Actual	2021 Adopted
REVENUES			
Amenity fee	\$ 120,000	\$ 10,000	\$ -
Interest	5	2	-
Total revenues	<u>120,005</u>	<u>10,002</u>	<u>-</u>
EXPENDITURES			
Lease-purchase payments	120,000	10,000	-
Total expenditures	<u>120,000</u>	<u>10,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5</u>	<u>2</u>	<u>-</u>
Other financing uses			
Transfer to general fund	-	-	(1,082)
Total other financing usus	<u>-</u>	<u>-</u>	<u>(1,082)</u>
NET CHANGE IN FUND BALANCE	5	2	(1,082)
BEGINNING FUND BALANCE	<u>1,075</u>	<u>1,080</u>	<u>1,082</u>
ENDING FUND BALANCE	<u>\$ 1,080</u>	<u>\$ 1,082</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
KMHD	\$ 5,475	\$ 5,969	\$ 11,000
Total revenues	<u>5,475</u>	<u>5,969</u>	<u>11,000</u>
EXPENDITURES			
KMHD snow removal	4,955	5,685	10,000
Facilities management fee	260	-	500
Allocated overhead	260	284	500
Total expenditures	<u>5,475</u>	<u>5,969</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
 ASSESSED VALUATION - GRAND COUNTY**

	2019	2020	Final 2021
Assessed Valuation	\$ 78,290	\$ 58,210	\$ 58,210
MILL LEVY			
General Fund	0.000	0.000	0.000
Capital Expenditures	0.000	0.000	0.000
Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
General Fund	\$ -	\$ -	\$ -
Capital Expenditures	-	-	-
Total Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
2021 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

2021 BUDGET MESSAGE

Headwaters Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, streets, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2021 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners of the District in the most economic manner possible.

The General Fund is responsible for maintaining the general operations. The transportation and road operations and maintenance responsibilities have been transferred to Granby Ranch Conservancy therefore the District will have no expenses related to these functions other than minor revenues and expenses for plowing of an adjacent property. The District anticipates receiving contributions from GRCO LLC to fund the operation costs budgeted for 2020.

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, CERTIFYING A ZERO MILL LEVY AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HEADWATERS METROPOLITAN DISTRICT, TOWN OF GRANBY, GRAND COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

WHEREAS, the Board of Directors (the “Board”) of the Headwaters Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2021; and

WHEREAS, the proposed 2022 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on December 2, 2021, in the Middle Park Times, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 8:00 AM on Thursday, December 9, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022.

Section 3. 2022 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$-0-, and that the 2021 valuation for assessment, as certified by the Grand County Assessor, is \$ 64,210. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of zero mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2022.

Section 4. Certification to Board of County Commissioners. No mill levies were certified to the Grand County Board of County Commissioners

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

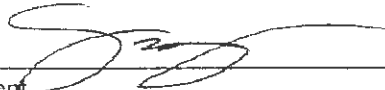
Section 6. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Susanne Johnson.

THIS RESOLUTION WAS APPROVED AND ADOPTED ON DECEMBER 9, 2021.

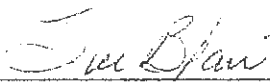
HEADWATERS METROPOLITAN DISTRICT

By:



President

ATTEST:

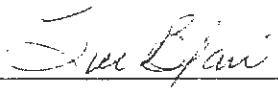


Secretary

STATE OF COLORADO
COUNTY OF GRAND
HEADWATERS METROPOLITAN DISTRICT

I, Sue Blair, hereby certify that I am a qualified Secretary of Headwaters Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 8:00 AM on Thursday, December 9, 2021, via a virtual Zoom meeting, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on December 9, 2021.



Secretary

EXHIBIT A
2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
REVENUES			
Amenities rental fee	\$ 7,239	\$ -	\$ -
Interest	123	25	25
Allocation from road maintenance fund	284	1,000	1,000
Developer contributions	-	260,000	160,000
Miscellaneous	25	-	-
Total revenues	<u>7,671</u>	<u>261,025</u>	<u>161,025</u>
EXPENDITURES			
Audit	5,200	-	-
District management and accounting	44,874	60,000	50,000
Election	13,068	-	5,000
Insurance and SDA dues	5,050	6,500	6,500
Legal	64,928	225,000	100,000
Miscellaneous	2,061	2,500	2,500
Emergency reserve contribution (3%)	-	7,800	4,800
Total expenditures	<u>135,181</u>	<u>301,800</u>	<u>168,800</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(127,510)</u>	<u>(40,775)</u>	<u>(7,775)</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	167,378	-	-
Transfer to golf course fund	-	(536)	-
Transfer from lease purchase fund	-	1,082	-
Total other financing sources (uses)	<u>167,378</u>	<u>546</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	39,868	(40,229)	(7,775)
BEGINNING FUND BALANCE	<u>10,010</u>	<u>49,878</u>	<u>9,649</u>
ENDING FUND BALANCE	<u>\$ 49,878</u>	<u>\$ 9,649</u>	<u>\$ 1,874</u>

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Adopted</u>
REVENUES			
Golf course revenue	\$ 341,713	\$ -	\$ -
Miscellaneous	-	2,973	-
Total revenues	<u>341,713</u>	<u>2,973</u>	<u>-</u>
EXPENDITURES			
Golf course operations	338,490	-	-
Miscellaneous	-	6,732	-
Total expenditures	<u>338,490</u>	<u>6,732</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,223</u>	<u>(3,759)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfer from general fund	-	536	-
Total other financing sources	<u>-</u>	<u>536</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,223	(3,223)	-
BEGINNING FUND BALANCE	<u>-</u>	<u>3,223</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 3,223</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
 CAPITAL IMPROVEMENTS FUND
 2022 ADOPTED BUDGET
 WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
REVENUES			
Interest	\$ 11	\$ -	\$ -
Total revenues	<u>11</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	11	-	-
BEGINNING FUND BALANCE	<u>1,050</u>	<u>1,061</u>	<u>1,061</u>
ENDING FUND BALANCE	<u>\$ 1,061</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>

**HEADWATERS METROPOLITAN DISTRICT
LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Adopted</u>
REVENUES			
Amenity fee	\$ 10,000	\$ -	\$ -
Interest	2	-	-
Total revenues	<u>10,002</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Lease-purchase payments	10,000	-	-
Total expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2</u>	<u>-</u>	<u>-</u>
Other financing uses			
Transfer to general fund	-	(1,082)	-
Total other financing uses	<u>-</u>	<u>(1,082)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2	(1,082)	-
BEGINNING FUND BALANCE	<u>1,080</u>	<u>1,082</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,082</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
REVENUES			
KMHD	\$ 5,969	\$ 11,000	\$ 11,000
Total revenues	<u>5,969</u>	<u>11,000</u>	<u>11,000</u>
EXPENDITURES			
KMHD snow removal	5,685	10,000	10,000
Facilities management fee	-	500	500
Allocated overhead	284	500	500
Total expenditures	<u>5,969</u>	<u>11,000</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of GRAND COUNTY, Colorado.

On behalf of the HEADWATERS METROPOLITAN DISTRICT

(taxing entity)^A

the BOARD OF DIRECTORS

(governing body)^B

of the HEADWATERS METROPOLITAN DISTRICT

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 64,210 assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

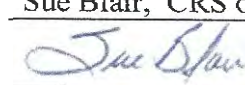
Submitted: 12/11/2021 for budget/fiscal year 2022
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²

1. General Operating Expenses ^H	<u>0</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>0</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest ^J	<u> </u> mills	\$ <u> </u>
4. Contractual Obligations ^K	<u> </u> mills	\$ <u> </u>
5. Capital Expenditures ^L	<u> </u> mills	\$ <u> </u>
6. Refunds/Abatements ^M	<u> </u> mills	\$ <u> </u>
7. Other ^N (specify): <u> </u>	<u> </u> mills	\$ <u> </u>
	<u> </u> mills	\$ <u> </u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>0</u> mills	\$ <u>0</u>

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960
Signed:  Title: District Manager

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

HEADWATERS METROPOLITAN DISTRICT

2022 BUDGET MESSAGE

Headwaters Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, streets, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2022 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible.

The General Fund is responsible for maintaining the general operations. The transportation and road operations and maintenance responsibilities have been transferred to Granby Ranch Conservancy; therefore, the District will have no expenses related to these functions other than minor revenues and expenses for plowing of an adjacent property. The District anticipates receiving contributions from GRCO LLC to fund the operation costs budgeted for 2022.

From: "Draper, Mylea" <mdraper@titlecorockies.com>
Date: March 4, 2022 at 11:24:34 AM MST
To: goflaherty@comcast.net
Subject: FW: Headwaters Metro District

DATE FILED: March 15, 2022 2:44 PM
FILING ID: 21BA33DAB619B
CASE NUMBER: 2021CV30008

Good afternoon,

As briefly discussed.. below is the email I received from Clint Waldron the attorney for the Metro district, confirming that the amenity fee *is* in fact still to be collected, with payment remitted to Diane at the management company.

Hope this helps!

From: Clint C. Waldron <cwaldron@wbapc.com>
Sent: Tuesday, January 25, 2022 11:18 AM
To: Diane Rodriguez <droduiguez@crsofcolorado.com>; Draper, Mylea <mdraper@titlecorockies.com>
Cc: Sue Blair <sblair@crsofcolorado.com>
Subject: RE: BC Townhomes - Headwaters Metro District

That is correct. The fee is still being collected.

Clint C. Waldron
Shareholder

White Bear Ankele Tanaka & Waldron
303.858.1800
www.whitebearankele.com

CONFIDENTIALITY AND PRIVILEGE NOTICE: The information contained in this email message, and any files transmitted with it, may be privileged, confidential, and exempt from disclosure under applicable law. This email message is intended only for the use of the individual(s) or entity(ies) to whom it is addressed. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this email is strictly prohibited. If you have received this email in error, please notify us immediately by telephone or by reply email and delete the message and any copies from your computer.

From: Diane Rodriguez [<mailto:droduiguez@crsofcolorado.com>]
Sent: Tuesday, January 25, 2022 9:00 AM
To: Draper, Mylea <mdraper@titlecorockies.com>; Clint C. Waldron <cwaldron@wbapc.com>
Cc: Sue Blair <sblair@crsofcolorado.com>
Subject: RE: BC Townhomes - Headwaters Metro District

Hello, Yes I can help point you in the right direction. I have copied our legal counsel for the district as well. My understanding is that the \$10,000 amenity fee is due for each sale.

Diane Rodriguez
Accounting Manager
Community Resource Services of Colorado
7995 E Prentice Ave, Suite 103 E
Greenwood Village, CO 80111-2710
303-381-4969 *direct*
droduiguez@crsofcolorado.com

EXHIBIT C

Thank you,

Mylea Draper

Escrow Officer

<image001.jpg>

Agency License 668372 ~ Personal License 627015

78491 US Hwy 40, P.O. Box 415, Winter Park, CO 80482

OFFICE: (970) 726-8077 **FAX:** (877) 239-2981

mdraper@titlecorockies.com www.titlecorockies.com

*Office Locations: Avon/Beaver Creek ~ Breckenridge ~ Craig
(NWT) Eagle ~ Edwards ~ Frisco ~ Glenwood Springs ~ Grand
Lake ~ Leadville ~ Rifle ~ Steamboat Springs ~ Vail ~ Willits ~ Winter Park*

<image002.png>

To reply securely or send encrypted email, click on this button

<image003.png>

For additional information, please see this [ALTA video](#)

***WARNING – NEVER WIRE FUNDS WITHOUT VERBAL VERIFICATION
BEFORE SENDING***

*If you receive an email containing new or revised WIRE TRANSFER
INSTRUCTIONS immediately call your escrow officer to verify the
information prior to sending funds or other information.*

First email transmission:

It is the District's position that the Amenity Fee (a local government imposed fee) was not wiped out by the private foreclosure action. In addition, Section 8 does not require the Amenity Fee be used solely for "issuance of bonds or reimbursement by Headwaters to GRH". Section 8 specifically says the Amenity Fee will be used to finance the acquisition, construction and installation of Amenities, *which may include* the issuance of bonds or reimbursement to GRH or other parties. To say Headwaters can no longer use the fee to finance the acquisition, construction and installation of Amenities is incorrect.

CLINT C. WALDRON

SHAREHOLDER

WHITE BEAR ANKELE TANAKA & WALDRON

303.858.1800

EXHIBIT C