

Granby Ranch Metropolitan District Special Board Meeting Agenda (Friday December 16, 2022)

Directors	Office	Term Expiration
Matt Girard	President	May 2025
Glenn O'Flaherty	Vice President	May 2023
Lauren Kaestner	Treasurer	May 2025
Steven Conrad	Secretary	May 2025
Timothy Archie	Assistant Secretary	May 2023

Meeting Start Time: 1:00pm

Meeting Location: Online video conference site is as follows:

<https://www.gotomeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in number: (646) 749-3112 / Access code #534-031-373

I. Administrative Items:

- A. Call To order
- B. Declaration of quorum
- C. Director qualifications / disclosure matters
- D. Meeting protocol and logistics of public comment – Director Girard
- E. Unscheduled public comments (limited to 3 minutes/each)
- F. Review and consider Nov. 11th and Nov. 18th meeting minutes [**Exhibit 01**]
- G. Review and consideration of policy regarding account payable invoices in board package

II. Legal Items:

- A. **Executive Session** per C.R.S. 24-6-402(4)(b) to confer with legal counsel regarding December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement, and status of associated ongoing litigation with HMD/GPGH/GR Terra
- B. Post executive session discussion & potential action regarding litigation

III. Adjournment

The next regular board meeting is scheduled for Thursday February 09, 2023 at 6:00pm to be held online at the following location: <https://www.gotomeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in number: (646) 749-3112 and access code #534-031-373.

EXHIBIT 01a

GRANBY RANCH METROPOLITAN DISTRICT

Regular Board Meeting Minutes

Meeting Date: Friday November 11, 2022

Meeting Time: 10:00am to 1:37pm

Meeting Location: Online video conference site as follows:

<https://www.gotmeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in-number: phone: (646) 749-3112/Access code #534-031-373

I. Roll Call (10:00am)

A regular meeting of the Board of Directors of the Granby Ranch Metropolitan District (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

Directors	Office	Attendance
Matt Girard	President	Present
Glenn O’Flaherty	Vice President	Present
Lauren Kaestner	Treasurer	Present
Steven Conrad	Secretary	Present
Timothy Archie	Assistant Secretary	Present

Also, in attendance was district manager Charles Wolfersberger (Wolfersberger, LLC); general counsel for the District, Alan Pogue (Icenogle Seaver Pogue, P.C.); special counsel for the District, Brian Matise and Erica Garcia (Burg Simpson Eldredge Hersh & Hardine, P.C); Katie Jenner and David Richardson (Husch Blackwell); Town of Granby liaison with the District and resident, Nick Raible; Laci Knowles (DA Davidson); and the following residents/homeowners: John Gillogley, Jeff and Denise Link, Scott Shippy, Brent Ricketts, Micah Hildenbrand, Jack James, Jim Blazeck and Tyler Casebier.

II. Administrative Matters

1. Call to Order: The meeting was called to order by Director Girard.
2. Declaration of Quorum: Director Girard noted all five directors were present and the Directors confirmed their qualification to serve and, therefore, called the regular meeting of the Board of Directors of the District to order.
- 2) Present disclosures of potential conflicts of interest: The Board reviewed the agenda for the meeting, following which four directors disclosed no conflicts of interest with the business to be discussed and conducted at the meeting.

Director O’ Flaherty stated the following: “On February 28, 2022, GRCO LLC and GR Terra, LLC, filed a civil lawsuit against me individually, to enforce an alleged trail easement over my property. That lawsuit is completely separate from GRMD’s pending lawsuit. I do not have any

personal or private interest in GRMD's lawsuit. However, out of an abundance of caution, I am making this disclosure on the record. I will be able to be fair and impartial while participating, discussing, and voting on all matters related to GRMD's lawsuit."

- 3) Meeting protocol & logistics of public comment: Director Girard briefly reviewed and discussed the protocol & logistics for public comments during this meeting, which will be considered and allowed for each and every agenda item going forward. Director Girard also stated the meeting will be recorded and posted on our website as soon as practical.
- 4) Review and consider October 21, 2022 and November 04, 2022 board meeting minutes: The Board reviewed the October 21st and November 4th meeting minutes. Director Girard motioned to approve the minutes as presented. Director O' Flaherty seconded the motion and the Board voted 5-0 to approve the minutes.
- 5) Review and consider 2023 administrative resolution. The District Manager presented and the Board reviewed and discussed the 2023 administrative resolution. The Board agreed to keep officer positions the same among the directors. The Board discussed whether to hold future meetings at 10am or 6pm and agreed to modify the resolution to reflect scheduling the February and August meetings at 6pm on Thursdays and the May and November meeting at 10am on Fridays. Director Girard motioned to approve the 2023 Administrative Resolution as modified. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion. Director Girard, O'Flaherty, Conrad and Kaestner noted they will waiving their \$100/meeting stipend afforded under CRS 32-1-902(3)(a).

Action Item 1: The District Manager will post the 2023 administrative resolution, as modified, on the District's website.

- 6) Review and consider 2023 election resolution: The District Manager presented and the Board reviewed and discussed the 2023 election resolution. Director Girard motioned to approve the 2023 Election Resolution as presented. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.
- 7) Unscheduled public comments: Director Girard opened the floor to public comments. The following attendees addressed the Board:

Mr. Link and Ms. Hildenbrand expressed concern that Director O' Flaherty has not included in his public disclosure he has counter-sued GR Terra and GPGH and they asked if Director O' Flaherty is involved in any other litigation against defendants of the District's lawsuit.

III. Financial Matters:

- 1) Status of financial markets for refinancing district's debt: Laci Knowles from DA Davidson reviewed the financial markets, current interest rates and the current valuation of land within the District. She reviewed six different refinance scenarios regarding the District's approximately \$10.1 million outstanding debt (net of cash reserves) that currently accrues interest at 5.5%. The earliest call date for the District's bonds is December 1, 2023 (which has a 3% call premium).

- 2) Review and ratify contractor invoices: The Board reviewed the schedule of contractor invoices submitted for payment since the last meeting – 11 invoices totaling \$68,237.12. Director Girard motioned to approve payment of all invoices. Director O’ Flaherty seconded the motion and the Board voted 5-0 to approve the motion.
- 3) Review October 31, 2022 financial reports: The District Manager reviewed the District’s year-to-date October 31st financial reports. Approximately 99.1% of the district’s property tax revenue and 70.8% of specific ownership tax has been collected for the Bond Fund through October 31. Approximately 99.1% of the district’s property tax revenue and 79.7% of the specific ownership tax has been collected for the General Fund through October 31. The District had a cash balance of \$75,781 in its checking accounts and \$2,965,350 in its CSAFE and UMB trust accounts.

The District Manager reviewed the general fund and debt fund budget-to-actual reports for revenue and expenses for the 10-month period ended October 31st. In the general fund, the District has incurred expenses totaling \$192,729, which is \$11,421 lower than year-to-date budgeted expenditures.

The District will pay its semiannual interest (\$320,719) and principal (\$95,000) payment on the 2018 Series Bonds on December 1st. Through October 31, 2021, total expenses in the debt fund total \$374,860 which is comprised of accrued interest, county treasurer collection fees (\$50,641) and the annual trustee fee (\$3,500). Total actual expenses was \$3,321 less than year-to-date budgeted expenses for the debt fund.

For the 10-month period ended October 31, 2021, the District Manager noted revenue exceeded expenses in the general fund and the debt fund by \$21,203 and \$766,277, respectively

- 4) Public hearing on District’s proposed 2023 budget: Director Girard opened the public hearing regarding the 2023 budget public at 11:12am. The District Manager reviewed the proposed 2023 budget. Highlights from the review included the following:
 - Property valuation within the operating district boundaries decreased 1.2% from \$19.3 million for 2022 to \$19.0 million for 2023.
 - Property valuation within the bond district boundaries decreased 1.2% from \$21.8 million for 2022 to \$21.5 million for 2023.
 - Total expenditures for the operating fund are budgeted at \$261,000 for 2023 – a \$22,000 increase from total expenses projected to be incurred in the operating fund in 2022. \$150,000 of the \$261,000 is budgeted for additional litigation costs related to the current lawsuit initiated by the District against HMD/GPGH/GR Terra. The 2023 operating fund budget also includes \$17,000 for covering the cost of running a potential board election in May 2023.

- The District’s administrative costs are projected to increase 20% in 2023 from \$78,400 to \$94,000, with most of that increase related to general legal costs and “other” costs.
- The 2023 budget reflects collecting facility fee revenue totaling \$62,550 (\$6,255/lot x 10 lots). This revenue is entirely dependent on the timing of when vacant home lots are developed. The District Manager pointed out that the facility fee has been prepaid on some lots and, therefore, not lots that undergo construction results in current facility fee revenue to the District.
- Total expenditures in the debt fund are projected to be \$796,000 in 2023. Expenses are comprised primarily of principal and interest payments due on the District’s Series 2018 bonds.
- The annual contribution from the Sol Vista Metro District is projected to be \$40,000 for 2023. The annual contribution from Sol Vista Metro District will expire at the end of 2026.
- Specific ownership tax revenue is projected to be 6.0% of gross property tax revenue in 2023.

At 11:48am, Director Girard opened the meeting to public comment on the budget. The following homeowners asked questions regarding the budget:

- Ms. & Mr. Gillogley asked the Board’s opinion on whether reducing the mill levy for 2023 would positively or negatively impact the District’s ability to refinance its debt in the future.
- Mr. Link reported that he summarized the legal invoices listed in exhibits from past board meeting packets and compared to the District’s financial statements and noted total litigation costs per past exhibits is less than total litigation fees reported on the financial statements by \$34,634

Action Item 2: Director and Treasurer Kaestner to coordinate with District Manager on accounting review of past litigation invoices related to 2022 financials.

- Mr. Link asked why the litigation fees budgeted for 2023 is \$150,000 since the District hired Burg Simpson on a contingency fee basis
- Mr. Link asked whether the facility fee revenue can be used for any purpose by the District. The District Manager responded that the fees collected by the District are not restricted to spending for a particular purpose.
- Ms. Hildenbrand asked why the litigation fees are budgeted for 2023 at \$150,000 even though monthly fee payments to Burg Simpson will total approximately \$100,000 for the year. She asked about what additional fees litigation counsel expects to charge the District in 2023.

- Ms. Hildenbrand asked about potential additional fee Wolfersberger, LLC could charge the District and asked why potential additional fees were not reflected in the 2023 budget. The District Manager responded that Wolfersberger, LLC historically has not charged its clients fees above the flat monthly fee unless clients become unreasonably demanding requiring extra time and services to be provided by Wolfersberger, LLC. For example, the meeting today will be the ninth meeting held by the District in 2022 and, despite agreeing to attend six board meetings in 2022, Wolfersberger, LLC will not be charging extra for the three additional meetings because the three special meetings called by the Board did not require a significant additional time commitment for the District Manager.
- Ms. Debbie DeBoalt submitted written questions to the Board that were read by the District Manager. Questions included the follow: (1) what costs could be incurred by litigation counsel that are not covered by the contingency fee agreement, (2) how much additional property taxes will homeowners be required to pay if the District loses its lawsuit and (3) she would like litigation updates provided by email in addition to the updates provided at the public board meetings.

The Board discussed and commented on the various questions posed from the public. The Board then reviewed and discussed two mill levy scenarios: 54 mills (same mills as 2022) and 50 mills. The Board noted the District will generate positive cash flows under both scenarios increasing the District's cash balances, which will improve the District's financial position when it is able to refinance the debt (at the earliest in December 2023).

Director Girard motioned to close the 2023 Budget public hearing at 12:18pm.

- 5) Consider resolution to adopt 2023 budget, appropriate funds, set mill levies: The District Manager presented the resolution to adopt the 2023 budget, set mill levies and appropriate funds. **Director O' Flaherty motioned to approve the resolution reflecting a total of 50 mills – 7 mills for operations and 43 mills for debt (a 7.5% reduction in mills from 2022).** Director Kaestner seconded the motion and the Board voted 5-0 to approve the motion.

Action Item 3: District Manager will file the 2023 budget with the State of Colorado and the mill levy certification with the County Treasurer.

- 6) Review and consider 2023 management/accounting contract w Wolfersberger, LLC: The Board reviewed and discussed the 2023 service contract submitted by Wolfersberger, LLC. The District Manager noted there are no changes to service fees for 2023 compared to 2022. Director Girard motioned to approve the 2023 service contract as submitted. Director O' Flaherty seconded the motion and the Board voted 5-0 to approve the motion.
- 7) Review and consider engagement of BF Borgers for 2022 financial statement audit: The District Manager presented the audit engagement letter submitted by BF Borgers to audit the District's 2022 annual financial statements. Director Girard motioned to approve the engagement letter submitted by BF Borgers. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

IV. Executive Session

At 12:24pm, Director Girard motioned to convene the meeting to executive session per C.R.S. 24-6-402(4)(b) to confer with legal counsel regarding December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement, and status of associated ongoing litigation with HMD/GPGH/GR Terra. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

In addition to all directors, the following individuals also attended the executive session: Mr. Wolfersberger, Mr. Matisse, Ms. Garcia and Mr. Pogue. No actions or motions were voted on by the Board during executive session.

Director Archie dropped off the call during executive session.

At 1:35pm, Director Girard motioned to close the executive session. Director Kaestner seconded the motion and the Board voted 4-0 to approve the motion.

Post executive session Discussion re Litigation effort against GPGH/HMD: Mr. Pogue reported that the Board properly convened to executive session and that the executive session was not recorded due to attorney/client privileged discussion in executive session.

Director Girard reported that the current litigation schedule remains the same with arbitration scheduled for January and court hearing scheduled for February. He noted the District will likely call additional special meetings before the February 9th regular meeting to discuss litigation matters in executive session, and provide updates as appropriate.

V. Adjournment (1:37pm)

There being no further business to come before the Board, and upon motion duly made by Director Girard, seconded by Director Kaestner and unanimously carried, the meeting was adjourned. The next board meeting is scheduled for Thursday February 09, 2023, at 6:00pm online at: <https://www.gotmeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in-number: phone: (646) 749-3112/Access code #534-031-373

Secretary

Date

EXHIBIT 01b

GRANBY RANCH METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Friday November 18, 2022

Meeting Time: 4:00pm to 4:51pm

Meeting Location: Online video conference site as follows:

<https://www.gotmeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in-number: phone: (646) 749-3112/Access code #534-031-373

I. Roll Call (4:00pm)

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

Directors	Office	Attendance
Matt Girard	President	Present
Glenn O' Flaherty	Vice President	Present
Lauren Kaestner	Treasurer	Present
Steven Conrad	Secretary	Present
Timothy Archie	Assistant Secretary	Present

Also, in attendance was District Manager Charles Wolfersberger (Wolfersberger, LLC); general counsel for the District, Ala Pogue (Icenogle Seaver Pogue, P.C.); special counsel for the District, Brian Matisse (Burg Simpson Eldredge Hersh & Hardine, P.C); Town of Granby liaison with the District and resident, Nick Raible; and the following residents/homeowners: Jeff and Denise Link, Dan Wilson and Bill Woodson.

II. Administrative Matters

- 1) Call to Order: The meeting was called to order by Director Girard. Director Girard noted that a quorum of the Board was present, and the Directors confirmed their qualification to serve and, therefore, called the special meeting of the Board of Directors of the District to order. Director Girard also stated the meeting will be recorded and posted on the District's website.
- 2) Declaration of Quorum: Director Girard noted all five directors are present and quorum is met for this meeting.
- 3) Present disclosures of potential conflicts of interest: The Board reviewed the agenda for the meeting, following which four directors disclosed no conflicts of interest with the business to be discussed and conducted at the meeting.

Director O' Flaherty stated the following: "On February 28, 2022, GRCO LLC and GR Terra, LLC, filed a civil lawsuit against me individually, to enforce an alleged trail easement over my property. That lawsuit is completely separate from GRMD's pending lawsuit. I do not have any

personal or private interest in GRMD's lawsuit. However, out of an abundance of caution, I am making this disclosure on the record. I will be able to be fair and impartial while participating, discussing, and voting on all matters related to GRMD's lawsuit."

- 4) Meeting protocol & logistics of public comment: Director Girard briefly reviewed and discussed the protocol & logistics for public comments during this meeting, which will be considered and allowed for each and every agenda item.
- 5) Unscheduled public comments: Director Girard opened the floor to public comments.

Mr. Link requested the Board include along with the invoice list in each board meeting packet copies of all contractor invoices so the public can review such invoices. He is especially interested in the August 10, 2022 invoice submitted by Wolfersberger, LLC. Director Kaestner recommended the board consider this policy matter and place on the agenda for the next board meeting. Director Girard also stated that in the meantime, copies of invoices can be requested via CORA.

Mr. Link also wants Director O' Flaherty to include in his conflict of interest disclosure his counter suit against the GR Terra and GRCO and wants to know if Director O' Flaherty to disclose whether he is involved in any other actions against the Glarners, GR Terra or GRCO. He noted the four other directors could make decisions regarding the District's litigation without Director O' Flaherty.

III. Executive Session

At 4:10pm, Director Girard motioned to convene the meeting to executive session per C.R.S. 24-6-402(4)(b) to confer with litigation counsel and general counsel regarding December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement, and status of associated ongoing litigation with HMD/GPGH/GR Terra. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

In addition to all directors, the following individuals also attended the executive session: Mr. Wolfersberger, Mr. Matise and Mr. Pogue.

At 5:15pm, Director Girard motioned to close the executive session. Director Kaestner seconded the motion and the Board voted 5-0 to approve the motion.

Post executive session Discussion re Litigation effort against GPGH/HMD: Mr. Pogue reported that the Board properly convened to executive session to receive advise from legal counsel regarding the lawsuit and that the executive session was not recorded due to attorney/client privileged discussion in executive session. No actions or motions were voted on by the Board during executive session.

Director Girard provided an update on the litigation stating the trial date is now set for April 24th, 2023 and the parties are working on scheduling mediation for Jan/Feb timeframe.

IV. Adjournment (5:18pm)

There being no further business to come before the Board, and upon motion duly made by Director Girard, seconded by Director Conrad and unanimously carried, the meeting was adjourned. The next regular board meeting is scheduled for Thursday February 09, 2023, at 6:00pm online at: <https://www.gotmeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in-number: phone: (646) 749-3112/Access code #534-031-373

Secretary

Date