

A few comments/background

TABLE SETTING

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To: Ted Cherry <tcherry@townofgranby.com>

Cc: Deb Hess <dhess@townofgranby.com>; Josh Hardy <jhardy@townofgranby.com>

Good evening, Ted-

A few comments to share with you and the other board members on the HW appointment and the bond agenda items:

1. Per Lance Badger the legal funds in the Headwaters Budget to pursue the road bonds are a developer advance that must be repaid with interest. If this is the case, is it really fair to burden the Granby Ranch owners with this cost that serves to reduce the obligation of the new developer/owner?
2. Headwaters: the district is comprised of two properties -the developer's raw triangle of land and a condo in Basecamp that is now owned by a homeowner. (This condo formerly owned by Marise/SolVista Corp was added to Headwaters to qualify her son-in-law to the board.)Both current property owners have given option contracts to qualify their respective candidates to fill Headwaters board vacancies. Developer has appointed 2 of their candidates to the Headwaters board, but there are still 3 board vacancies that developer has refused to fill with the interested candidates. Since inception and currently Headwaters has been wholly controlled by developer. There are four issues that directly affect homeowners and would appear to merit supporting filling the vacancies with eligible homeowner candidates:
 - i. The current Headwaters budget shows \$6 million allegedly owing to developer that will need to be repaid by the taxpayer/slave districts. Homeowner board members should have access to the details of this alleged debt and have a voice on how this alleged debt is to be addressed;
 - ii. The developer advance of legal fees to pursue the bonds in the Headwaters budget would appear to be a developer expense, not a homeowner expense; and
 - iii. The roads in Granby Ranch upon final acceptance are owned and operated by Headwaters, so the developer responsible for building the roads should not also have the authority via their exclusive control of the board to accept those very roads.
- if. Headwaters is the party to the lease-purchase agreement for the ski/golf amenities. The management contract for these amenities should not be a self serving no rent or low rent agreement to developer's subsidiary. It should generate significant income to offset the road plowing and maintenance costs. Plus,homeowners have paid in excess of \$6 million toward this lease purchase agreement.

Note, Headwaters does not generate any tax revenue, it is simply the artificially developer controlled district that gets to spend money. As initially the developer controlled all the districts, intergovernmental agreements were out in place by the then developer controlled boards that required the slave/tax districts to pay all expenses incurred by Headwaters. GRMD is now homeowner controlled and ended this arrangement, but the other slave/taxing districts are still bound by these agreements.

GRMD was initially burdened by \$26 million of principal plus interest for debt totaling in excess fo \$30 million. Needless to say the @500 homeowners in GRMD were drowning in debt and had no ability to repay that level of debt that was put upon them. Even now at \$12 million of bond debt GRMD could not get a normal 10-20

year bond refi, thus the 2018 refi Had to be a 35 year bond at a high rate of interest.

Obviously there are many more facts and nuances to this discussion, but wanted to get these basic facts out to you to share with the other board members that may not be as familiar with Granby Ranch for the discussion on the two agenda items.

Natascha

Sent from my iPad