

**INTERGOVERNMENTAL AGREEMENT RE
ROAD MAINTENANCE AND SNOW REMOVAL
BETWEEN**

**GRANBY RANCH METROPOLITAN DISTRICT;
GRANBY RANCH METROPOLITAN DISTRICT NO. 2;
GRANBY RANCH METROPOLITAN DISTRICT NO. 3;
GRANBY RANCH METROPOLITAN DISTRICT NO. 4;
GRANBY RANCH METROPOLITAN DISTRICT NO. 5;
GRANBY RANCH METROPOLITAN DISTRICT NO. 6;
GRANBY RANCH METROPOLITAN DISTRICT NO. 7;
GRANBY RANCH METROPOLITAN DISTRICT NO. 8;
AND
HEADWATERS METROPOLITAN DISTRICT**

This Intergovernmental Agreement re Road Maintenance and Snow Removal (the “**Agreement**”) is entered into this 11th day of April 2018 between GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD**”), GRANBY RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 2**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 3**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 4, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 4**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 5, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 5**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 6, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 6**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 7**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 8, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 8**”); (GRMD 2, GRMD 3, GRMD 4, GRMD 5, GRMD 6, GRMD 7, and GRMD 8 are collectively referred to herein as “**GRMD 2-8**”); and Headwaters Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HMD**”) (together, the “**Districts**” or the “**Parties**”).

Recitals

A. The Districts are special districts located within the Town of Granby, Colorado located within a ski-area, golf course, and residential community known as Granby Ranch; and

B. GRMD’s Service Plan dated July 22, 2003, as first amended on June 27, 2006, and amended a second time on November 8, 2016, gives it the power to finance, operate and maintain streets, sidewalks and other street improvements within and without its boundaries; and

C. The Consolidated Service Plan for GRMD 2 – 8 dated September 25, 2007, and amended on November 8, 2016, gives GRMD 2 – 8 the power to finance, operate and maintain

streets, sidewalks and other street improvements within and without their respective boundaries; and

D. HMD's Service Plan dated July 22, 2003 as first amended on November 8, 2016 gives it the power to finance, operate and maintain streets, sidewalks and other street improvements within and without its boundaries; and

E. HMD, Granby Realty Holdings, LLC ("GRH"), and SolVista Master Homeowner's Association currently own the roads within Granby Ranch; and

F. The roads within Granby Ranch are used by the residents and guests for access to the homes and the amenities, including the ski area, golf course, and community areas; and

G. To take advantage of economies of scale and to simplify management of road maintenance and snow removal operations in Granby Ranch, GRMD, GRMD 2-8 and HMD desire to have the road maintenance and snow removal for the roads in Granby Ranch performed by the same service providers (the "**Contractor**"); and

H. The Parties desire to have HMD contract with and be the party responsible for coordinating with the Contractor to provide those services to the roads within Granby Ranch; and

I. GRMD and GRMD 2-8 desire to pay for the costs of road maintenance and snow removal as set forth herein, and to remit those funds to HMD for payment to the Contractor; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations of this Agreement, the promises and conditions contained in the Letter Agreement dated August 22, 2016 as amended on November 17, 2017 and April 11, 2018 (the "**Letter Agreement**", attached as "**Exhibit A**"), and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Scope of Services. HMD shall be responsible for providing road maintenance and snow removal for the roads that serve Granby Ranch, as identified on the attached **Exhibit B** (the "**Roads**") (the road maintenance and snow removal for the Roads are the "**Services**"). HMD shall ensure that all Services are performed using that degree of skill and knowledge customarily employed by other professionals providing the Services.

2. Term. The term of this Agreement shall begin on January 1, 2019 and expire on December 31, 2019. Thereafter, this Agreement shall automatically renew on January 1 of each successive year, subject to annual appropriation by all of the Districts, unless otherwise terminated. If any single district not on inactive status fails to appropriate funds for the following year, the agreement shall terminate at the end of the then current term

3. GRMD Approval of Contractor. It is anticipated that HMD will hire a third-party contractor to provide the Services (the "**Contractor**"). Before hiring, the Contractor must be approved by GRMD on behalf of GRMD and GRMD 2-8, which approval will not be unreasonably withheld.

4. Contract Terms. Beginning January 1, 2019, HMD shall ensure that any new contract or contract extension with a Contractor contains language to comply with all legal requirements applicable to Title 32 special districts for service contracts. In addition, the contract must contain the following language:

a. Funding for the Services is being provided, in part, by the Granby Ranch Metropolitan District; Granby Ranch Metropolitan District No. 2; Granby Ranch Metropolitan District No. 3; Granby Ranch Metropolitan District No. 4; Granby Ranch Metropolitan District No. 5; Granby Ranch Metropolitan District No. 6; Granby Ranch Metropolitan District No. 7; and Granby Ranch Metropolitan District No. 8 (the “**Districts**”) pursuant to a road maintenance and snow removal agreement. Contractor acknowledges that Headwaters Metropolitan District is the party responsible for payment to the Contractor and that the Districts have no payment obligation to Contractor or its sub-contractors and that Contractor and its sub-contractors are not a third-party beneficiary to the road maintenance and snow removal agreement between Headwaters Metropolitan District and the Districts. Contractor and its subcontractors have no right to payment directly from the Districts.

b. Contractor indemnifies and holds harmless the Districts, their officers, directors and employees, from and against claims, demands, losses, liabilities, actions, lawsuits, and expenses (including attorneys’ fees), to the extent that they are caused by or arise from the negligent acts or omissions of Contractor or anyone for whom Contractor is legally liable in connection with this Agreement or work hereunder. The provisions of this Section shall survive termination of this Agreement.

5. Compensation. GRMD and GRMD 2-8 desire to contribute to the costs of the Services proportionately. Payment of the costs of the Services for each year will be allocated between GRMD and GRMD 2-8 based on the following formula:

a. $\text{Proportion of Payment of Costs of Services} = \frac{\text{Assessed Valuation of District X}}{\text{Assessed Valuation of GRMD} + \text{Assessed Valuation of GRMD 2-8}}$

i. District X = District for which payment proportion is being calculated.

ii. Assessed Valuation = Assessed valuation of all property subject to district’s operation and maintenance (general fund) mill levy used for collection in the next fiscal year (the “**O&M Property**”).

b. **Inactive District.** In any year, if any District(s) is inactive, it shall not be required to participate in the costs of Services and the assessed valuation of the inactive District(s) shall be removed from the calculation of the Proportion of Payment of Costs of Services.

c. GRMD and GRMD 2-8 will pay only for the cost of the Services as charged by the Contractor with no markup by HMD, and for a reasonable and documented proportion of HMD’s costs or expenses to administer the Services, including, but not limited to,

legal fees and costs to administer or manage the Contractor. Such administrative costs shall not exceed the amounts budgeted by each of GRMD and GRMD 2-8.

d. Services Provided by Granby Ranch Conservancy. For any given year, the Granby Ranch Conservancy, which is the master homeowner's association for Granby Ranch ("GRC") may choose to adopt an assessment or include in dues an amount sufficient to pay for all or some of the Services. The obligation of GRMD and GRMD 2-8 to provide funding for the Services shall be directly reduced in the same proportion set forth in paragraph 5, with such reduction based on the total amount of the assessment or dues to be collected for the Services by the GRC. Funding by GRC does not eliminate HMD's obligation to provide the Services.

6. Prior Approval Required. Any road maintenance or repair cost equal to or in excess of Ten-Thousand Dollars (\$10,000) must be approved by GRMD before the occurrence of the road maintenance or repair. If no prior approval is made by GRMD, then GRMD and GRMD 2-8 shall have no obligation to pay for the cost of the road maintenance or repair.

7. Maximum Costs Paid. GRMD's and GRMD 2-8's obligation to pay for the Services shall not exceed the amount budgeted by GRMD and GRMD 2-8 for payment in any one calendar year. Any costs in excess of this amount will be the sole responsibility of HMD unless otherwise agreed to by each of GRMD and GRMD 2-8.

8. Method of Payments. HMD will submit quarterly invoices to GRMD and GRMD 2-8 for payment. Payment shall be made by GRMD and GRMD 2-8 within 30 days of receipt. HMD is responsible for timely payment to the Contractor as agreed to in the contract between HMD and the Contractor. GRMD and GRMD 2-8 have no direct payment obligation to the Contractor or any subcontractors.

a. Payment requests shall be submitted to GRMD at the following address:

Granby Ranch Metropolitan District
c/o CliftonLarsonAllen, LLP
8390 E. Crescent Parkway, Suite 600
Greenwood Village, CO 80111
Attn: Mr. Bob Blodgett
e-mail: Bob.Blodgett@claconnect.com
T: (303) 779-5710

b. Payment requests for GRMD 2-8 shall be submitted to the respective district at the following address:

Marchetti & Weaver, LLC
28 Second St, Suite 213
Edwards, CO 81632
(970) 926-6060

9. Road Use. The roads that serve the property within Granby Ranch are public roads that are owned by HMD, GRH, or SolVista Master Homeowner's Association. HMD shall not impose any toll or other user charge or fee for the use of the Roads. In addition, HMD shall take reasonable steps, as determined in its sole discretion and expense, to ensure that GRH or SolVista Master Homeowner's Association do not impose any toll or other user charge or fee for the use of the Roads used for access to the property in Granby Ranch.

10. Additional Roads. Additional roads are expected to be constructed in Granby Ranch in the future. By agreement of the Parties, these additional roads may be made subject to the provisions of the Agreement.

11. Assignment. No party shall have the right or power to assign or delegate all or any part of this Agreement, or its respective duties, without the written consent of the other Parties.

12. Termination. Any party may terminate this Agreement in whole by delivering a written notice of termination specifying the effective date to the other Parties. Said notice must be delivered at least 30 days in advance of the effective date of the termination. GRMD and GRMD 2-8 shall pay HMD for Services satisfactorily performed by the Contractor prior to the termination date. This Agreement may be terminated at any time by mutual consent. Any plan for dissolution of a District shall adequately provide for the district's obligations under this Agreement.

13. Notices. Any notices, demands, or other communications required or permitted to be given in writing hereunder shall be hand delivered, sent by facsimile, or sent by First Class Mail, addressed to the parties at the addresses set forth below, or at such other address as either party may hereafter designate by written notice to the other party given in accordance herewith.

To GRMD:

Granby Ranch Metropolitan District
c/o CliftonLarsonAllen, LLP
8390 E. Crescent Parkway, Suite 600
Greenwood Village, CO 80111
Attn: Mr. Bob Blodgett

with a copy to:

Granby Ranch Metropolitan District
c/o Seter & Vander Wall, P.C.
7400 E. Orchard Rd., Suite 3300
Greenwood Village, CO 80111
Attn: Jeffrey E. Erb, Esq.

To GRMD 2-8

Granby Ranch Metropolitan District Nos. 2-8

c/o Marchetti & Weaver, LLC
28 Second St, Suite 213
Edwards, CO 81632
Attn: Eric Weaver

with a copy to:

Granby Ranch Metropolitan District Nos. 2-8
c/o SpencerFane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Attn: Norman F. (Rick) Kron, Esq.

To HMD:

Headwaters Metropolitan District
c/o Marchetti & Weaver, LLC
28 Second St, Suite 213
Edwards, CO 81632
Attn: Eric Weaver

with a copy to:

Headwaters Metropolitan District
c/o White Bear Ankele Tanaka & Waldron, P.C.
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attn: Clint Waldron, Esq.

14. Entire Agreement. This Agreement, including all Exhibits, constitutes the entire Agreement between the Parties relating to the Services and sets forth the rights, duties, and obligations of each to the other as of the effective date of this Agreement. Any prior agreements, promises, negotiations, or representations not expressly set forth or incorporated into this Agreement are of no force and effect.

15. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

16. Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts as originals, facsimiles, or electronic documents, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

17. Controlling Law and Venue. This Agreement shall be governed by and construed in accordance with the law of the State of Colorado. Any dispute regarding this Agreement shall be held in the Colorado District Court for Grand County, Colorado.


18. Authority. The Parties represent to each other that each has the full right and authority to execute and enter into this Agreement and perform its obligations hereunder, and that every person signing on behalf of each Party is authorized to do so.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

[SIGNATURE PAGES TO FOLLOW]

Date: April 11, 2018.

Granby Ranch Metropolitan District


Name: Nathaniel
Title: president

Attest:


Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 2


Name: Vance Badger

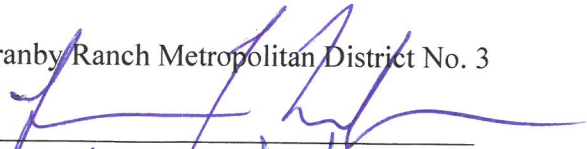
Title: President

Attest:

Only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 3


Name: Lance Hodge
Title: President

Attest:

Only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 4


Name: Lance Badger

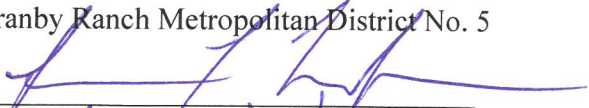
Title: President

Attest:

only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 5

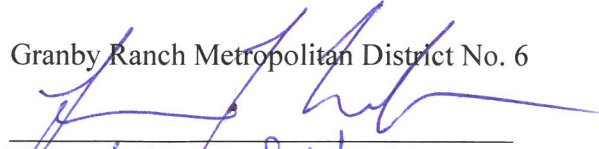

Name: Lance Badger
Title: President

Attest:

Only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 6

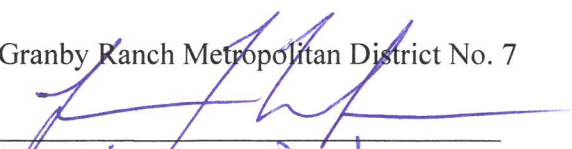

Name: Lance Badger
Title: President

Attest:

Only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 7


Name: Lance Badger
Title: PRESIDENT

Attest:

only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Granby Ranch Metropolitan District No. 8


Name: Lande Badger

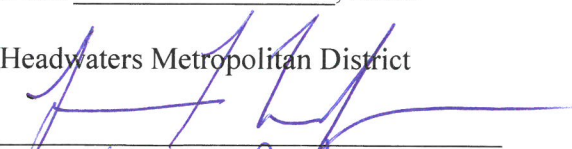
Title: President

Attest:

only one board member
Secretary/Assistant Secretary

Date: March 22, 2018.

Headwaters Metropolitan District


Name: Lance Badger

Title: President

Attest:

only one board member
Secretary/Assistant Secretary

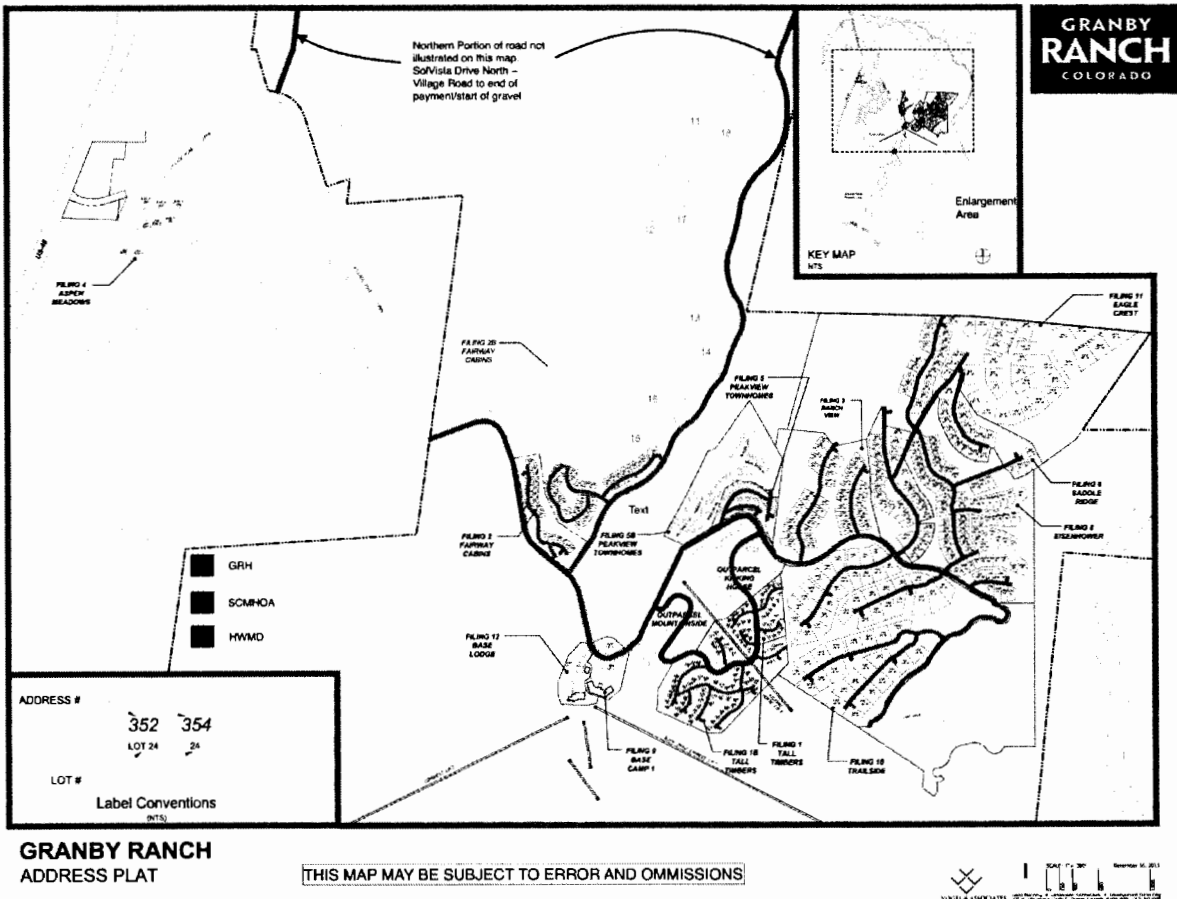
EXHIBIT A

Letter Agreement

Exhibit B

The Roads

The "Roads" as defined in the Agreement are identified in "Green", "Blue" and "Red" and listed below:



In the event of any conflict between the map and the List of Roads (below), the List of Roads shall control.

LIST OF ROADS

- Lake Drive – Kicking Horse Pump House to Trailside Neighborhood (Nimbus Drive)
- SolVista Drive North – Village Road to end of payment/start of gravel
- The portion of Mountainside Drive located outside of the Kicking Horse subdivision
- Fairway Cabins
 - Fairway Lane
 - Sagebrush Trail
 - Fairway Valley Road
- Tall Timbers
 - First Track Lane
 - Slalom Drive
 - Powder Court
 - Fall Line Road
 - Expedition Lane
 - Summit Lift Court
 - Timber Court
 - Saddle Horn Court
 - Deer Track Court
 - Blue Sage Court
 - Bridle Court
- Peakview Townhomes
 - Summit Point
 - Peakview Drive
 - Range Vista Drive
- Ranch View
 - Upper Ranchview Road
 - Lower Ranchview Road
- Saddleridge

- Mount Neva Drive
- Prospect Ridge
 - Thunderbolt Drive
- Settlers Ridge
 - Shoshone
 - Pawnee Lane
- Eisenhower Cabins
 - Eagles Nest
 - Night Hawk
 - Lone Eagle Drive
 - Kiowa Lane
- Trailside
 - Cumulus Road
 - Cirrus Way
 - Nimbus Drive
 - Stratus Court
- Lake Drive – Trailside Neighborhood to Water Tank (including access to Water Tank)
- Ten Mile Road – Village Road to CR 849 and around triangle
- SolVista Drive North from start of gravel to Golf Course and west on CR 894 to 1st intersection in SilverSage
- Parking Lots – Gazebo at Saddle Entrance and Ten Mile Road